PROFESSIONAL SERVICES CONTRACT

EDS# D6-22-GCSC02

This Contract ("this Contract"), entered into by and between the Distressed Unit Appeal Board ("DUAB") (the "State") and Gary Schools Recovery, LLC (the "Manager" as defined herein), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. Definition of "Manager". The Gary Community School Corporation ("School Corporation") is a distressed political subdivision under IC § 6-1.1-20.3-6.8. DUAB is statutorily required to employ an emergency manager for the School Corporation under IC § 6-1.1-20.3-7.5. This Contract provides for emergency management services for the School Corporation as outlined herein. For the benefit of the School Corporation and its surrounding community, DUAB has determined it is in the best interests of the engagement to modify the terminology moving forward to refer to the emergency manager (as referenced in IC § 6-1.1-20.3) as "Manager". All authority, responsibilities, and powers assigned to the emergency manager within Indiana statutes are vested in the Manager under this contract.

2. Duties of the Manager. The Manager shall provide the services relative to this Contract that are more particularly described and set out in **Attachment A**.

The scope of the Manager's work under this Contract consists of many functions including Financial Assessment and Development of Policies and Controls; Facility Assessment, Preparation, Security, and Planning; Education Assessment, Organization and Resource Planning; and Management, Communications and Community Engagement (collectively, the "Functions of the Manager"). The parties recognize that the solution offered by the Manager to address the needs of the School Corporation pursuant to this Contract is an integrated one, and, as such, those Functions of the Manager are interdependent and will operate most effectively to achieve such solution when combined, and less effectively when separated into individual ones. The parties further recognize that due to this integrated nature of these Functions of the Manager, if any one of them is severed from the Manager's scope of work under this Contract, the Manager's ability to achieve success in reliance on the remaining Functions of the Manager could be detrimentally impaired.

3. Consideration.

The total remuneration to be paid by the State to the Manager under this Contract, shall not exceed $7,800,000 ("Contract Amount") for the Contract Term. The Contract Amount shall be divided and paid to Manager in two (2) allocations for each Contract year:

(a) A base compensation amount of $2,900,000 for Year 1 and $2,600,000 for Year 2 shall be paid to the Manager for professional services, reasonable and necessary travel expenses and other expenses arising from the performance of the duties described in **Attachment A** ("Base Pay"). Base Pay shall be apportioned and paid in monthly installments according to the payment schedule described in Section 3.C; and

(b) Additional compensation shall be paid to the Manager for the achievement of certain performance benchmarks, described in **Attachment B**, for each year of the Contract Term ("Benchmark Compensation"). The Benchmark Compensation applied to Year 1 shall not exceed $750,000, and the Benchmark Compensation applied to Year 2 shall not exceed $1,550,000.

A. Base Pay and Benchmark Compensation – Year 1. Year 1 of the Contract begins on July 1, 2022, and continues until June 30, 2023 ("Year l "). Base Pay under this Contract for Year 1 of the Contract Term shall not exceed $2,900,000. In addition to Base Pay, the Manager may receive Benchmark Compensation, at the appropriate tier achieved, for the academic performance benchmarks (“Academic Benchmarks”) and fiscal performance benchmarks (“Fiscal Benchmarks”) described in **Attachment B**.

The aggregate Benchmark Compensation for the attainment of all Academic Benchmarks for Year 1 shall not exceed $700,000. The aggregate Benchmark Compensation for the attainment of the Fiscal Benchmarks for Year 1 shall not exceed $50,000.

B. Base Pay and Benchmark Compensation – Year 2. Year 2 of the Contract begins on July 1, 2023, and continues until June 30, 2024 ("Year 2"). Base Pay under this Contract for Year 2 of the Contract Term shall not exceed $2,600,000. In addition to Base Pay, the Manager may receive Benchmark Compensation, at the appropriate tier achieved, for the performance benchmarks described in **Attachment B**.

The aggregate Benchmark Compensation for the attainment of all Academic Benchmarks for Year 2 shall not exceed $700,000. The aggregate Benchmark Compensation for the attainment of the Fiscal Benchmarks for Year 2 shall not exceed $850,000.

C. Payment Schedule. Until this Contract is terminated or expires in accordance with the terms hereof, the Manager shall be paid the Base Pay amounts described in Table 1 and Table 2 below. Base Pay shall be payable in monthly installments in arrears for the preceding payment period. Upon approval, Benchmark Compensation shall be payable as described in Section 3.D.

Table 1: Year 1 Payment Schedule

Invoice Date	Invoice Amount
July 31, 2022	$241,667 (Base Pay)
August 31, 2022	$241,667 (Base Pay)
September 30, 2022	$241,667 (Base Pay)
October 31, 2022	$241,667 (Base Pay)
November 30, 2022	$241,667 (Base Pay)
December 31, 2022	$241,667 (Base Pay)
January 31, 2023	$241,667 (Base Pay)
February 28, 2023	$241,667 (Base Pay)
March 31, 2023	$241,667 (Base Pay)
April 30, 2023	$241,667 (Base Pay)
May 31, 2023	$241,667 (Base Pay)
June 30, 2023	$241,663 (Base Pay)
Upon Approval	Up to $700,000 (Academic Benchmarks Compensation)
Upon Approval	Up to $50,000 (Fiscal Benchmarks Compensation)

Table 2: Year 2 Payment Schedule

Invoice Date	Invoice Amount
July 31, 2023	$241,667 (Base Pay)
August 31, 2023	$241,667 (Base Pay)
September 30, 2023	$241,667 (Base Pay)
October 31, 2023	$241,667 (Base Pay)

November 30, 2023	$241,667 (Base Pay)
December 31, 2023	$241,667 (Base Pay)
January 31, 2024	$241,667 (Base Pay)
February 29, 2024	$241,667 (Base Pay)
March 31, 2024	$241,667 (Base Pay)
April 30, 2024	$241,667 (Base Pay)
May 31, 2024	$133,330 (Base Pay)
June 30, 2024	$50,000 (Base Pay)
Upon Approval	Up to $700,000 (Academic Benchmarks Compensation)
Upon Approval	Up to $850,000 (Fiscal Benchmarks Compensation)

In the event the Contract is terminated or canceled, no further payments or additional remuneration shall be paid after the date of termination or cancellation except as otherwise provided in this Contract.

The Manager shall submit a monthly invoice for Base Pay in the amounts identified above and for Benchmark Compensation in the amount approved pursuant to Section 3.D.

D. Benchmark Compensation – Satisfactory Proof and DUAB Approval. The Manager shall submit a request for consideration and the necessary documentation as outlined in **Attachment B** for each benchmark it deems to have attained within ninety (90) days of the attainment date or the availability of necessary documentation, whichever is later. Upon receipt, DUAB shall take action as outlined in **Attachment B** for the performance benchmarks determined to have been attained. For the Manager's submission of achievement of the Academic Benchmarks, DUAB shall complete its review within ninety (90) days of receipt of a request and the necessary documentation. For the Manager's submission of achievement of the Fiscal Benchmarks, DUAB shall complete its review within thirty (30) days of receipt of a request and the necessary documentation. Submission of the necessary documentation for the Fiscal Benchmark – Financial Reserves may only be submitted upon the completion of the financial audit referenced in **Attachment B**. If DUAB determines that a performance benchmark submitted for approval by the Manager has not been attained, DUAB shall provide the basis for its determination in writing and provide the Manager an opportunity to respond and amend its submission. If the Manager renews or amends a submission that was previously denied, DUAB shall complete its review within ninety (90) days for the Academic Benchmarks submission and thirty (30) days for the Fiscal Benchmarks submission. If DUAB determines a performance benchmark has been attained or the specified timeframe has lapsed after receiving the request and the necessary documentation, whichever is sooner, the Manager shall submit an invoice and shall receive payment for the applicable Benchmark Compensation. If DUAB does not complete its review within the time limits specified above, the benchmark shall be deemed to have been achieved.

DUAB shall conduct a reasonable review of the deliverable or other documentation provided by the Manager for purposes of determining whether the performance benchmark has been attained. DUAB's review is not limited to information and documentation provided by the Manager. DUAB may consult other available information as appropriate. DUAB's right to object to, or disprove such deliverable or other documentation, shall not be unreasonably exercised, and DUAB's approval of such deliverable or documentation shall not be unreasonably withheld, delayed, or conditioned.

E. Additional Remuneration. In addition to the Base Pay or Benchmark Compensation otherwise due to the Manager under this Section, the Manager may be reimbursed for services rendered by subcontractors and other consultants only with the prior approval of the DUAB Chairman or the executive director of DUAB ("DUAB Executive Director") and as determined by agreement of the parties pursuant to **Attachment A**.

F. Event of Petition Filed Under IC § 6-1.1-20.3-9.9

1. In the event a petition appealing a decision by the Manager is filed with DUAB pursuant to IC § 6-1.1-20.3-9.9 and the Attorney General declines or determines that it is not required to represent the Manager in such appeal after the Manager has requested the Attorney General to do so, after considering the petition, DUAB shall pay all reasonable expenses and attorney's fees incurred by the Manager to defend its decision in connection with such petition, or consolidated petitions, as determined by DUAB in connection with its consideration of more than one petition. The total amount of reasonable expenses and attorney's fees that DUAB shall be obligated to pay in any given Contract year shall not exceed $30,000. In addition, the amount of reasonable expenses and attorney's fees that DUAB shall be obligated to pay for any petition shall not exceed $7,500, whether a hearing includes one petition or multiple consolidated petitions.

2. In the event the filing of such petition delays the Manager's ability to attain a performance benchmark by the attainment date listed in this **Attachment B**, the Manager shall be permitted an extension, equal to the period from the filing of such petition to the date of resolution, to attain such benchmark and receive the corresponding additional remuneration.

G. Liability for Failure to Pay Withholding Tax. The Manager shall take all actions, within its reasonable control, to ensure that all federal, state, or local taxes owed by the School Corporation are timely paid, in accordance with all applicable federal, state, and local laws. Pursuant to IC § 6-1.1-20.3-6.8, the Manager may direct the chief financial officer for the School Corporation to pay any or all federal, state, or local taxes pursuant to this section, but the chief financial officer shall report to the Manager at all times.

In the event the Internal Revenue Service ("IRS") asserts a trust fund recovery penalty ("TRFP") against the Manager, an employee of the Manager, an employee of the School Corporation, or any other person acting on behalf of the School Corporation, the Manager may reimburse the person's legal fees from the School Corporation's funds if it is finally determined by the IRS or by a court of competent jurisdiction that the person is not liable for the TRFP. This section does not preclude the Attorney General from representing the Manager or an employee of the Manager in a proceeding related to a TRFP.

H. Survival of Payment Obligations. Notwithstanding anything in this Contract to the contrary, any obligation owed to the Manager pursuant to this Contract shall survive the termination, cancellation, or expiration of this Contract.

4. Term. This Contract shall be effective for a period of twenty-four (24) months except that Year 2 of the Contract shall be subject to appropriations made by the Indiana General Assembly. It shall commence on July 1, 2022, and shall remain in effect through June 30, 2024 ("Term").

5. Access to Records. The Manager and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Contract. They shall make such materials available at their respective offices at all reasonable times during this Contract, and for three (3) years from the date of final payment under this Contract, for inspection by the State or its authorized designees. Copies shall be furnished at no cost to the State if requested.

6. Assignment; Successors.

A. The Manager binds its successors and assignees to all the terms and conditions of this Contract. The Manager may assign its right to receive payments to such third parties as the Manager may desire without the prior written consent of the State, provided that the Manager gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one (1) party.

B. The Manager shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent. The State's consent under this Section shall not be unreasonably withheld. The Manager may assign its right to receive payments to such third parties as the Manager may desire without the prior written consent of the State, provided that the Manager gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party. Additionally, the Manager shall provide prompt written notice to the State of any change in the Manager’s legal name or legal status so that the changes may be documented and payments to the successor entity may be made.

7. Assignment of Antitrust Claims. As part of the consideration for the award of this Contract, the Manager assigns to the State all right, title and interest in and to any claims the Manager now has, or may acquire, under state or federal antitrust laws relating to the products or services which are the subject of this Contract.

8. Audits. The Manager acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC § 5-11-1, *et seq.*, and the audit guidelines specified by the State.

9. Authority to Bind the Manager. The signatory for the Manager represents that he/she has been duly authorized to execute this Contract on behalf of the Manager and has obtained all necessary or applicable approvals to make this Contract fully binding upon the Manager when his/her signature is affixed, and accepted by the State.

10. Changes in Work. The Manager shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Manager shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories hereto. This Contract may only be amended, supplemented, or modified by a written document executed in the same manner as this Contract.

11. Compliance with Laws.

A. The Manager shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State and the Manager to determine whether the provisions of this Contract require formal modification. Subject to Sections 14 and 49, the enactment or modification of any applicable state or federal statutes after execution of this Contract affecting the Manager's authority, duties, or scope of work as set forth in this Contract and **Attachment A** are hereby incorporated into this Contract by reference, and the parties shall formally modify the Contract to conform to any such enactments or modifications.

B. The Manager and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC § 4-2-6, *et seq.*, IC § 4-2-7, et seq. and the regulations promulgated thereunder. **If the Manager has knowledge, or would have acquired knowledge with reasonable inquiry, that a state officer, employee, or special state appointee, as**

those terms are defined in IC § 4-2-6-1, has a financial interest in the Contract, the Manager shall ensure compliance with the disclosure requirements in IC § 4-2-6-10.5 prior to the execution of this Contract. If the Manager is not familiar with these ethical requirements, the Manager should refer any questions to the Indiana State Ethics Commission, or visit the Inspector General's website at http://www.in.gov/ig/. If the Manager or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the Manager. In addition, the Manager may be subject to penalties under IC §§ 4-2-6, 4-2-7, 35-44.1-1-4, and under any other applicable laws.

C. The Manager certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. The Manager agrees that any payments currently due to the State of Indiana may be withheld from payments due to the Manager. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Manager is current in its payments and has submitted proof of such payment to the State.

D. The Manager warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Manager agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

E. If a valid dispute exists as to the Manager's liability or guilt in any action initiated by the State or its agencies, and the State decides to delay, withhold, or deny work to the Manager, the Manager may request that it be allowed to continue, or receive work, without delay. The Manager must submit, in writing, a request for review to the Indiana Department of Administration (IDOA) following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties. Any payments that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest, except as permitted by IC § 5-17-5.

F. The Manager warrants that the Manager and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

G. The Manager affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

H. As required by IC § 5-22-3-7:

(1) The Manager and any principals of the Manager certify that:

(A) the Manager, except for de minimis and nonsystematic violations, has not violated the terms of:

(i) IC § 24-4.7 [Telephone Solicitation Of Consumers];

(ii) IC § 24-5-12 [Telephone Solicitations]; or

(iii) IC § 24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and

(B) the Manager will not violate the terms of IC § 24-4.7 for the duration of the Contract, even if IC § 24-4.7 is preempted by federal law.

(2) The Manager and any principals of the Manager certify that an affiliate or principal of the Manager and any agent acting on behalf of the Manager or on behalf of an affiliate or principal of the Manager, except for de minimis and nonsystematic violations,

(A) has not violated the terms of IC § 24-4.7 in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and

(B) will not violate the terms of IC § 24-4.7 for the duration of the Contract, even if IC § 24-4.7 is preempted by federal law.

12. Condition of Payment. All services provided by the Manager under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of any federal, state, or local statute, ordinance, rule or regulation.

13. Confidentiality of State Information. The Manager understands and agrees that data, materials, and information disclosed to the Manager may contain confidential and protected information. The Manager covenants that data, material, and information gathered, based upon or disclosed to the Manager for the purpose of this Contract will not be disclosed to or discussed with third parties without the prior written consent of the State.

The parties acknowledge that the services to be performed by the Manager for the State under this Contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Manager and the State agree to comply with the provisions of IC § 4-1-10 and IC § 4-1-11. If any Social Security number(s) is/are disclosed by the Manager, the Manager agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this Contract.

14. Continuity of Services.

A. The Manager recognizes that the service(s) to be performed under this Contract are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another Manager, may continue them. At the direction of DUAB, the Manager agrees to:

1. Furnish phase-in training; and
2. Exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor.

B. The Manager shall, upon the State's written notice and at the direction of DUAB:

1. Furnish phase-in, phase-out services for up to sixty (60) days after this Contract expires, if terminated pursuant to Sections 46, 47, 48, or 49, or is otherwise terminated under this Contract; and
2. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Manager shall provide sufficient experienced personnel

during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

C. In the event that legislation is approved that establishes a new governing body and transition timeline for the School Corporation, the parties agree that the transfer of the day-to-day operations of the School Corporation, including knowledge transfer and the transition of leadership ("Operations Transfer"), shall be considered an obligation of the Manager under this Contract during the Term of this Contract. In the event that transition services are not reasonably contemplated to be within the scope of the Operations Transfer or legislation is approved that establishes a new governing body and transition timeline for the School Corporation, the parties agree to convene to discuss and negotiate in good faith: (1) what, if any, services of the Manager may be required after the expiration of the Contract to facilitate transition; (2) what, if any, additional services may be required during or before the expiration of this Contract to facilitate transition; and (3) the appropriate remuneration for such services.

D. The Manager shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract.

E. The Manager shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

15. Debarment and Suspension.

A. The Manager certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Manager.

B. The Manager certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Manager shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

16. Disputes.

A. Should any disputes arise with respect to this Contract, the Manager and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.

B. The Manager agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all of its responsibilities under this Contract that are non-disputed or not affected by the dispute. Should the Manager fail to continue to perform its responsibilities regarding all non-disputed work, without delay, any additional costs incurred by the State or the Manager as a result of such failure to proceed shall be borne by the Manager, and the Manager shall make no claim against the State for such costs. Notwithstanding this subsection, if the Manager is required to continue to carry out non-disputed work for a period of sixty (60) days or more, the Manager may terminate this Contract by delivering a Termination Notice to the State at least thirty (30) days before the effective date set forth in such Notice.

The State agrees to hold the Manager harmless for error or omissions in any Materials that are incomplete as a result of any such termination.

C. If the parties are unable to resolve a contract dispute between them after good faith attempts to do so, a dissatisfied party shall submit the dispute to the Commissioner of the Indiana Department of Administration for resolution. The dissatisfied party shall give written notice to the Commissioner and the other party. The notice shall include: (1) a description of the disputed issues, (2) the efforts made to resolve the dispute, and (3) a proposed resolution. The Commissioner shall promptly issue a Notice setting out documents and materials to be submitted to the Commissioner in order to resolve the dispute; the Notice may also afford the parties the opportunity to make presentations and enter into further negotiations. Within thirty (30) business days of the conclusion of the final presentations, the Commissioner shall issue a written decision and furnish it to both parties. The Commissioner's decision shall be the final and conclusive administrative decision unless either party serves on the Commissioner and the other party, within ten (10) business days after receipt of the Commissioner's decision, a written request for reconsideration and modification of the written decision. If the Commissioner does not modify the written decision within thirty (30) business days, either party may take such other action helpful to resolving the dispute, including submitting the dispute to an Indiana court of competent jurisdiction. If the parties accept the Commissioner's decision, it may be memorialized as a written Amendment to this Contract if appropriate.

D. The State agrees to carry out all of its responsibilities under this Contract that are not affected by a dispute, including payment for all services performed by the Manager. The State may, however, withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Manager of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for the Manager to terminate this Contract, and the Manager may bring suit to collect these amounts without following the disputes procedure contained herein.

E. With the written approval of the Commissioner of the Indiana Department of Administration, the parties may agree to forego the process described in subdivision C. relating to submission of the dispute to the Commissioner.

F. This Section shall not be construed to abrogate provisions of IC § 4-6-2-11 in situations where dispute resolution efforts lead to a compromise of claims in favor of the State as described in that statute. In particular, releases or settlement agreements involving releases of legal claims or potential legal claims of the state should be processed consistent with IC § 4-6-2-11, which requires approval of the Governor and the Attorney General.

17. Drug-Free Workplace Certification. For purposes of this Section, "Workplace" shall mean the Gary Community School Corporation in Gary, Indiana. For purposes of this Section, "Employee" shall mean a person directly employed by the Manager, and does not include an employee of the School Corporation, a subcontractor or any other person. As required by Executive Order No. 90-5 dated April 12, 1990, issued by the Governor of Indiana, the Manager hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Manager will give written notice to the State within ten (10) days after receiving actual notice that the Manager, or an employee of the Manager in the State of Indiana, has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraph, if the total amount set forth in this Contract is in excess of $25,000.00, the Manager certifies and agrees that it will provide a drug-free workplace by:

A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Manager's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;

B. Establishing a drug-free awareness program to inform its employees of: (1) the dangers of drug abuse in the workplace; (2) the Manager's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will: (1) abide by the terms of the statement; and (2) notify the Manager of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

D. Notifying the State in writing within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;

E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

18. Employment Eligibility Verification. As required by IC § 22-5-1.7, the Manager swears or affirms under the penalties of perjury that the Manager does not knowingly employ an unauthorized alien. The Manager further agrees that:

A. The Manager shall enroll in and verify the work eligibility status of all his/her/its newly hired employees through the E-Verify program as defined in IC § 22-5-1.7-3. The Manager is not required to participate should the E-Verify program cease to exist. Additionally, the Manager is not required to participate if the Manager is self-employed and does not employ any employees.

B. The Manager shall not knowingly employ or contract with an unauthorized alien. The Manager shall not retain an employee or contract with a person that the Manager subsequently learns is an unauthorized alien.

C. The Manager shall require his/her/its subcontractors, who perform work under this Contract, to certify to the Manager that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the E-Verify program. The Manager agrees to maintain this certification throughout the duration of the Term of a contract with a subcontractor.

The State may terminate for default if the Manager fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

19. Employment Option. [Removed by agreement of the parties.]

20. Force Majeure. In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of an event or events that are beyond the control and without the fault of that party – including, but not limited to, natural disaster, pandemic or public health emergency, fire, flood, explosions, acts of God or a public enemy, terrorism, vandalism, civil riots, or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately or as soon as is reasonably possible under the circumstances give notice to the other party and shall do everything reasonably possible to resume performance. Upon receipt of such notice, all obligations under this Contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Contract and the Manager shall be entitled to compensation as outlined in Section 50 but shall not be entitled to compensation under Section 50.C.(iii). To the extent a Force Majeure Event materially impairs or prohibits the Manager from achieving any tier of a Fiscal Benchmark or Academic Benchmark, the parties agree to negotiate in good faith new benchmark tiers to capture the intent of the benchmark and expectations of the parties given the circumstances.

21. Funding Cancellation. As required by Financial Management Circular 3.3 and IC § 5-22-17-5, when the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Director of State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive. The State agrees to hold the Manager harmless for errors or omissions in any Materials that are incomplete as a result of any such cancellation under this Section.

22. Governing Law. This Contract shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in the State of Indiana.

23. HIPAA Compliance. If this Contract involves services, activities, or products subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Manager covenants that it will appropriately safeguard Protected Health Information (defined in 45 CFR 160.103), and agrees that it is subject to, and shall comply with, the provisions of 45 CFR 164 Subpart E regarding use and disclosure of Protected Health Information.

24. Indemnification. The Manager agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all third-party claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Manager and/or its subcontractors, if any, in the performance of this Contract. The State shall not provide such indemnification to the Manager.

25. Statutory Limits on Liability. Pursuant to IC § 6-1.1-20.3-7.5, the Manager shall be immune from civil liability for an act or omission within the scope and arising out of the performance of its duties prescribed by the State and DUAB under IC § 6-1.1-20.3, this Contract and **Attachment A** to this Contract, so long as the act or omission does not constitute gross negligence or willful misconduct. As provided in IC § 6-1.1-20.3-7.5, the Attorney General of the State of Indiana ("Attorney General") shall represent the Manager in a legal action arising out of the Manager's exercise of powers granted under IC § 6-1.1-20.3, this Contract and **Attachment A** to this Contract, if the Manager makes a written request to the Attorney General requesting such representation. In any legal action arising out of the Manager's exercise of powers granted under IC § 6-1.1-20.3, this Contract and **Attachment B** to this Contract, the Manager must make a written request to the Attorney General for representation pursuant to IC § 6-1.1-

20.3-7.5. The attorney general may not represent the Manager if the legal action is initiated, or the claim is asserted by the Manager under IC 6-1.1-20.3-7.5.

26. Independent Contractor; Workers' Compensation Insurance. The Manager is performing as an independent entity under this Contract. No part of this Contract shall be construed to represent the creation of an employment, agency, partnership, or joint venture agreement between the parties. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees, or subcontractors of the other party. The Manager shall provide all necessary unemployment and workers' compensation insurance for the Manager's employees, and the Manager shall provide the State with a Certificate of Insurance evidencing such coverage prior to starting work under this Contract.

27. Indiana Veteran Owned Small Business Enterprise Compliance. [Removed by agreement of the parties.]

28. Information Technology Enterprise Architecture Requirements. [Removed by agreement of the parties.]

29. Insurance.

A. The Manager and their subcontractors (if any) shall secure and keep in force during the Term of this Contract the following insurance coverages (if applicable) covering the Manager for any and all claims of any nature which may in any manner arise out of or result from Manager's performance under this Contract:

1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits not less than $700,000 per person and $5,000,000 per occurrence unless additional coverage is required by the State. The State is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Contract.

2. Automobile liability for owned, non-owned and hired autos with minimum liability limits of not less than $700,000 per person and $5,000,000 per occurrence. The State is to be named as an additional insured on a primary, non-contributory basis.

3. Errors and Omissions liability with minimum liability limits of $1,000,000 per claim and in the aggregate. Coverage for the benefit of the State shall continue for a period of two (2) years after the date of service provided under this Contract.

4. Fiduciary Liability is required if the Manager is responsible for the management and oversight of various employee benefit plans and programs such as pensions, profit-sharing and savings, among others with limits no less than $700,000 per cause of action and $5,000,000 in the aggregate.

5. Valuable Papers coverage, if applicable, with an Inland Marine Policy Insurance with limits sufficient to pay for the re-creation and reconstruction of such records.

6. Surety or Fidelity Bond(s) if required by statute or by the agency.

7. Cyber Liability addressing risks associated with electronic transmissions, the internet, networks, and informational assets, and having limits of no less than $700,000 per occurrence and $5,000,000 in the aggregate.

The Manager shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of workers' compensation coverage meeting all statutory requirements of IC § 22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B. The Manager's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority or other appropriate authorization to operate in the state in which the policy was issued.

2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Manager.

3. The State will be defended, indemnified, and held harmless to the full extent of any coverage actually secured by the Manager in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.

4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.

5. The Manager waives and agrees to require their insurer to waive their rights of subrogation against the State of Indiana.

C. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract. The Manager shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.

30. Key Person(s).

A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment or assume a role in which the individual is no longer performing the services specified in subsection C during the Term of this Contract for whatever reason, the State shall have the right to terminate this Contract upon thirty (30) days' prior written notice, if the Manager has not replaced such individual with an individual to the satisfaction of the State within thirty (30) days of the date such individual left the employment of the Manager or assumes a role in which the individual is no longer performing the services specified in subsection C. If the State becomes reasonably dissatisfied with the work product of or the working relationship with any of the key persons under this Contract, the State may request in writing the replacement of any key person, and the Manager shall negotiate in good faith a plan for resolution within thirty (30) days, up to, and including assignment of a new qualified key person. If the State is not satisfied with the plan for resolution, a replacement key person selected by the Manager shall be assigned to this Contract within sixty (60) days of the State's written request. In the event of termination under this Section, the Manager shall be entitled to compensation as outlined in Section 50 but shall not be entitled to compensation under Section 50.C.(iii). The State agrees to hold the Manager harmless for errors or omissions in any Materials that are incomplete as a result of any termination under this Section.

B. Nothing in subsection A above shall be construed to prevent the Manager from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person(s).

Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Manager shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

C. Key person(s) to this Contract are:

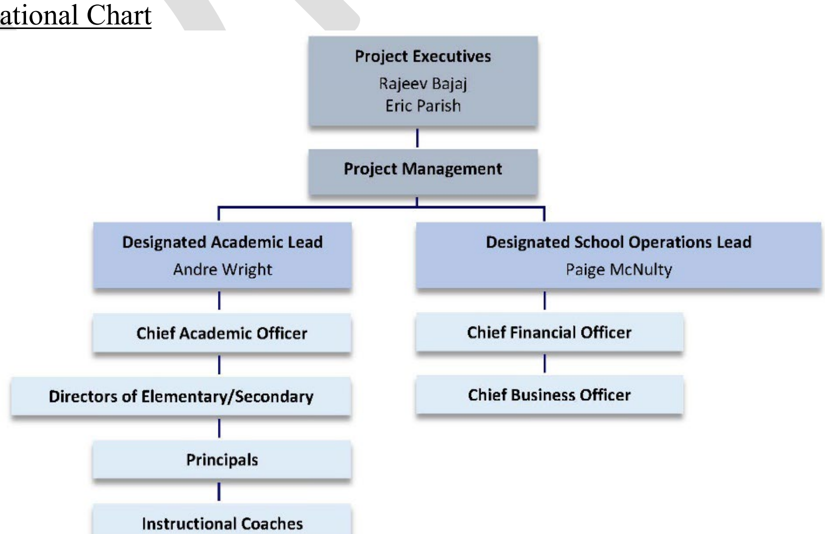
1. Dr. Paige McNulty as the Designated School Operations Lead;
2. Mr. Andre Wright, as the Designated Academic Lead;
3. Mr. Eric Parish, as a Project Executive, providing strategic financial and operational analysis and project management with substantial involvement in the project; and
4. Mr. Rajeev Bajaj, as a Project Executive, providing strategic academic and transition analysis and project management with substantial involvement in the project.

"Designated School Operations Lead" means the individual serving as the leader of the School Corporation on behalf of the Manager with respect to the School Corporation's non-academic operations. The individual shall be responsible for leading the School Corporation and managing the School Corporation's day-to-day operations, including finances and administration. The individual shall be vested with final decision-making authority, on behalf and subject to the authority of the Project Executives and the Manager, over all non-academic operations of the School Corporation. The individual shall exercise the powers of the superintendent related to the non-academic operations of the School Corporation on behalf of and subject to the authority of the Project Executives and the Manager. The individual shall be engaged as the Designated School Operations Lead in a full-time capacity.

"Designated Academic Lead" means the individual serving as the leader of the School Corporation on behalf of the Manager with respect to the School Corporation's academics. The individual shall be responsible for leading the School Corporation's academic operations, including oversight of academic personnel, academic initiatives, implementation of the Academic Plan, and leading the School Corporation with respect to overall academic strategy and achievement. The individual shall exercise the power of the superintendent related to the academics of the School Corporation on behalf of and subject to the authority of the Project Executives and the Manager. The individual shall be engaged as the Designated Academic Lead in a full-time capacity.

The Project Executives shall be vested with and exercise the powers of the governing body for the School Corporation.

Manager Organizational Chart



D. The Designated School Operations Lead and the Designated Academic Lead shall be solely devoted to this Contract as a full-time engagement, and shall spend ninety percent (90%) of their time on this engagement.

31. Licensing Standards. The Manager, its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules, or regulations governing services to be provided by the Manager pursuant to this Contract. The State will not pay the Manager for any services performed when the Manager, its employees or subcontractors are not in compliance with such applicable standards, laws, rules, or regulations. If any license, certification, or accreditation expires or is revoked, or any disciplinary action is taken against an applicable license, certification, or accreditation, the Manager shall notify the State immediately and the State, at its option, may immediately terminate this Contract.

32. Merger & Modification. This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented, or amended, except by written agreement signed by all necessary parties.

33. Minority and Women's Business Enterprises Compliance. [Removed by agreement of the parties.]

34. Nondiscrimination. Pursuant to the Indiana Civil Rights Law, specifically IC § 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Manager covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). The Manager certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services. Breach of this paragraph may be regarded as a material breach of this Contract, but nothing in this paragraph shall be construed to imply or establish an employment relationship between the State and any applicant or employee of the Manager or any subcontractor.

The State is a recipient of federal funds, and therefore, where applicable, the Manager and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

35. Notice to Parties. Whenever any notice, statement or other communication is required under this Contract, it shall be sent by E-Mail or first-class U.S. mail to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

Justin McAdam Chairman Distressed Unit Appeal Board 200 West Washington Street, Room 212 Indianapolis, IN 46204	With a copy to: Peter Miller Executive Director Distressed Unit Appeal Board 100 N. Senate Ave., Room N-1058 Indianapolis, IN 46204

E-mail: jmcadam@gov.in.gov
E-mail: pmiller3@duab.in.gov

B. Notices to the Manager shall be sent to:

Gary Schools Recovery, LLC
c/o Trey Traviesa
4320 West Kennedy Boulevard
Tampa, FL 33609
E-mail: ttraviesa@mgtconsulting.com

With a copy to: Barnes & Thornburg LLP
11 S. Meridian Street
Indianapolis, IN 46204
Attn: Lauren Box and Curtis Greene
E-mail: lauren.box@btlaw.com
curtis.greene@btlaw.com

As required by IC § 4-13-2-14.8, payments to the Manager shall be made via electronic funds transfer in accordance with instructions filed by the Manager with the Indiana Auditor of State.

36. Order of Precedence; Incorporation by Reference. Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) this Contract, (2) attachments prepared by the State, including Attachments A and B, (3) the Manager's May 26, 2022 Proposal for Phase Three of Emergency Management of the Gary Community School Corporation titled "PROPOSAL GCSC Phase 3 Plan_Final Revised 052622," (4) RFI#17-111, and (5) the Manager's response to RFI#l7-111 and additional supplemental information provided by the Manager. All attachments, and all documents referred to in this paragraph, are hereby incorporated fully by reference.

37. Ownership of Documents & Materials.

A. The Manager grants the State a non-exclusive, non-cancelable, perpetual, worldwide royalty-free license to use all documents, records, programs, applications, data, algorithms, film, tape, articles, memoranda, and other materials (the "Materials") not developed or licensed by the Manager prior to execution of this Contract, but specifically developed under this Contract and to use, modify, copy, and create derivative works of the Materials.

B. During the performance of this Contract, the Manager shall be responsible for any loss of or damage to the Materials developed for or supplied by the State and used to develop or assist in the services provided while the Materials are in the possession of the Manager. Any loss or damage thereto shall be restored at the Manager's expense. The Manager shall provide the State full, immediate, and unrestricted access to the Materials and to the Manager's work product during the Term of this Contract.

38. Payments.

All payments shall be made in conformance with State fiscal policies and procedures and, as required by IC § 4-13-2-14.8, the direct deposit by electronic funds transfer to the financial institution designated by the Manager in writing unless a specific waiver has been obtained from the Indiana Auditor of State. All payments shall be paid upon receipt of the invoices, as detailed in Section 3 herein. No payments will be made in advance of receipt of the goods or services that are the subject of this Contract except as permitted by IC § 4-13-2-20.

39. Penalties/Interest/Attorney's Fees. The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as permitted by Indiana law, in part, IC § 5-17-5, IC § 34-54-8, IC § 34-13-1 and IC § 34-52-2.

Notwithstanding the provisions contained in IC § 5-17-5, any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

40. Progress Reports. The Manager shall submit progress reports to the State upon request. The report shall be oral, unless the State, upon receipt of the oral report, should deem it necessary to have it in written form. The progress reports shall serve the purpose of assuring the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date.

41. Public Record. The Manager acknowledges that the State will not treat this Contract as containing confidential information, and the State will post this Contract on the transparency portal as required by Executive Order 05-07 and IC § 5-14-3.5-2. Use by the public of the information contained in this Contract shall not be considered an act of the State.

42. Renewal Option. This Contract may be renewed under the same terms and conditions, subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC § 5-22-17-4. The term of the renewed contract may not be longer than the Term of the original Contract.

43. Severability. The invalidity of any section, subsection, clause, or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses, or provisions of this Contract.

44. Substantial Performance. This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

45. Taxes. The State is exempt from most state and local taxes and many federal taxes. The State will not be responsible for any taxes levied on the Manager as a result of this Contract.

46. Termination of Distressed Political Subdivision Designation. In the event that the State, including the Indiana General Assembly and DUAB, terminates the School Corporation's status as a distressed political subdivision, this Contract shall be terminated on the same day that the School Corporation's status as a distressed political subdivision is terminated. In the event of termination under this Section, the Manager shall be paid pursuant to Section 50.

47. Termination for Convenience. This Contract may be terminated, in whole or in part, by the State, which shall include and is not limited to IDOA and the State Budget Agency whenever, for any reason, the State determines that such termination is in its best interest. Termination of services shall be effected by delivery to the Manager of a Termination Notice at least ninety (90) days prior to the termination effective date, specifying the date on which such termination is effective. In the event of termination under this Section, the Manager shall be paid pursuant to Section 50. For the purposes of this paragraph, the parties stipulate and agree that IDOA shall be deemed to be a party to this Contract with authority to terminate the same for convenience when such termination is determined by the Commissioner of IDOA to be in the best interest of the State.

48. Termination by State for Default by the Manager.

A. With the provision of thirty (30) days' notice to the Manager, the State may terminate this Contract in whole or in part if the Manager materially fails to:

1. Correct or cure any breach of this Contract; the time to correct or cure the breach may be extended beyond thirty (30) days if the State determines progress is being made and the extension is agreed to by the parties;
2. Perform the services within the time specified in this Contract or any extension;
3. Make progress so as to endanger performance of this Contract; or
4. Perform any of the other provisions of this Contract.

B. If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, services similar to those terminated, and the Manager will be liable to the State for any reasonable direct excess costs for those services. However, the Manager shall continue the work not terminated, unless such termination materially alters the parties' bargain.

C. The Manager shall be entitled to compensation as outlined in Section 50, but the Manager shall not be entitled to compensation under Section 50.C. The State may withhold from these amounts any sum the State determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or equity or under this Contract.

E. The State agrees to hold the Manager harmless for errors or omissions in any services that are incomplete as a result of any termination under this Section.

F. Notwithstanding this Section, if this Contract is terminated in part, the Manager may terminate this Contract by delivering a Termination Notice to the State at least thirty (30) days before the effective date set forth in such Notice.

49. Termination by the Manager for Default by State.

A. The Manager may terminate this Contract in whole if the Manager determines that statutory changes enacted by the Indiana General Assembly have materially altered the Parties' bargain or Significantly and Materially Reduced the Scope of the Manager's authority under this Contract, as set forth in this Contract or in **Attachment A**. In the event DUAB becomes aware of any proposed or enacted statutory changes that have the potential to materially alter the Parties' bargain or Significantly and Materially Reduce the Scope of the Manager's authority under this Contract, DUAB shall notify the Manager of the statutory changes as soon as practicable so as to allow the Manager to review the statutory changes and notify DUAB of any concerns it has with the statutory changes. The Manager shall notify DUAB within seven (7) business days of receiving the potential statutory changes of any concerns the Manager has with the statutory changes. Failure of DUAB to notify the Manager of the statutory changes shall not be considered a material breach of this Contract. The Manager may terminate the Contract pursuant to this Section by providing notice within thirty (30) days of the close of the legislative session during which the relevant statutory changes are enacted. The effective date of a termination under this Section shall be sixty (60) days after the Manager provides notice or the date agreed to by the parties.

B. If the Manager determines that DUAB has materially breached any provision of this Contract or has taken action that materially alters the Parties' bargain or Significantly and Materially Reduced the Scope of the Manager's authority under this Contract, including as set forth in **Attachment A**, the Manager shall notify DUAB in writing within thirty (30) days of DUAB's actions at issue. The Manager may not terminate this Contract under this Section if it does not provide written notice within thirty (30) days of DUAB's actions. The notice to DUAB shall describe in detail the actions of DUAB which the Manager believes have materially altered the Parties' bargain or Significantly and Materially Reduced the Scope of the Manager's authority under this Contract and the impact of such reduction on the ability of the Manager to fulfill the requirements of this Contract. DUAB shall have sixty (60) days from the date it receives notice under this Section to sufficiently remedy the actions that the Manager identifies in the notice provided under this Section and respond to the Manager in writing. If DUAB sufficiently remedies the actions identified by the Manager, the Manager may not terminate this Contract under this Section. If DUAB does not sufficiently remedy the actions identified by the Manager, the Manager may terminate this Contract but only if the Manager provides notice of such termination to DUAB within thirty (30) days of DUAB's determination that DUAB cannot or will not sufficiently remedy the actions that have materially altered the Parties' bargain or Significantly and Materially Reduced the Scope of the Manager's authority identified by the Manager. Any termination under this Section shall take effect ninety (90) days after the Manager notifies the State that it intends to terminate the Contract under this Section, or the date agreed to by the parties.

For purposes of this Section, a "Significant and Material Reduction in Scope" shall mean a reduction in the scope of the Manager's authority under this Contract, which significantly and materially adversely affects the ability of the Manager to perform the services described in Section 2 or attain the performance benchmarks outlined in **Attachment B** for which the attainment date has not yet passed.

C. If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, the Manager may cancel and terminate this Contract and institute measures to collect monies due up to and including the date of termination. The State agrees to hold the Manager harmless for errors or omissions on any Materials (as defined in Section 37 hereof) that are incomplete as a result of any cancellation or termination under this Section.

D. In the event of termination under this Section, the Manager shall be paid pursuant to Section 50.

E. The State agrees to hold the Manager harmless for errors or omissions in any Materials that are incomplete as a result of any termination under this Section.

50. Termination – Base Pay & Benchmark Compensation. With respect to affected Base Pay and Benchmark Compensation as of the effective date of termination under Section 20, 46, 47, 48, and 49, the Manager shall be compensated as follows:

A. **Base Pay**. The Manager shall be paid all Base Pay, as outlined in the applicable Payment Schedule provided in Section 3.C., that is due as of the effective date of termination.

B. **Benchmark Compensation Attained Prior to Termination Effective Date.** With respect to affected performance benchmarks where the attainment date has passed as of the effective date of termination, the Manager shall be paid the applicable Benchmark Compensation for any Academic Benchmark or Fiscal Benchmark, as outlined in **Attachment B**, attained, and not yet paid, during the Contract Year in which the termination occurs. The reconciliation of amounts owed, including submission and approval of documentation pursuant to Section 3.D., may occur after the termination effective date.

C. **Benchmark Compensation Attainment Date Not Occurred.** With respect to affected Academic Benchmarks and Fiscal Benchmarks, where the attainment date has not yet occurred as of the effective date of termination, the Manager shall be compensated as follows:

    (i.) Fiscal Benchmark Compensation – Financial Reserves. Regardless of whether the effective date of termination occurs in Year 1 or Year 2, the Manager shall receive

Benchmark Compensation for the Fiscal Benchmark – Financial Reserves level (as defined in **Attachment B**) achieved as of the effective date of termination. For example, if, upon the effective date, the Manager has achieved a fiscal reserve (as defined in **Attachment B**) of 15%, whether in Year 1 or Year 2, the Manager shall receive $300,000 in Benchmark Compensation.

(ii.) Fiscal Benchmark Compensation – Public Forums. Regardless of whether the effective date of termination occurs in Year 1 or Year 2, the Manager shall receive Benchmark Compensation for the Fiscal Benchmark – Public Forums (as defined in **Attachment B**) for the year of termination, so long as the required public forums have been completed up to the effective date of termination. For example, if termination is effective on January 1, 2023, the Manager shall receive $50,000 in Benchmark Compensation if public forums were completed for October, November, and December.

(iii.) Academic Benchmark Compensation. If termination is effective in Year 1 of the Contract after January 1, 2023, the Manager shall be deemed to have achieved Tier 2 of each Academic Benchmark – unless a higher tier has been achieved and can be claimed under Section 3.D. – and the appropriate Benchmark Compensation for such performance benchmarks shall be paid to the Manager. Benchmark Compensation available for Year 2 of the Contract shall not be paid. For example, if termination was effective in Year 1 after January 1, 2023, and termination impacts the Graduation Rate Academic Benchmark, the Manager shall receive Benchmark Compensation for Tier 2.

If, however, termination is effective in Year 2 of the Contract, the Manager shall be deemed to have achieved the same tier for each impacted Academic Benchmark that the Manager achieved in Year 1; and the appropriate Benchmark Compensation for such Academic Benchmarks shall be paid to the Manager, unless a higher tier of Benchmark Compensation is actually achieved. For example, if the Manager achieved the Tier 3 Academic Benchmark for Graduation Rate in Year 1, and termination was effective in Year 2, the Manager shall receive Benchmark Compensation for Graduation Rate for Tier 3.

The reconciliation of amounts owed, including submission and approval of documentation pursuant to Section 3.D., may occur after the termination effective date.

D. **Work Performed After Termination.** Apart from the payment of Benchmark Compensation as described herein, the State will not be liable for services performed after the effective date of termination. The Manager shall be compensated for services provided, but in no case shall total payment made to the Manager exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date.

51. Travel. No expenses for travel will be reimbursed above and beyond the base amount set forth in Section 3 herein, unless specifically permitted under the scope of services or consideration provisions and approved in advance by DUAB or the DUAB Executive Director. Such expenditures made by the Manager for travel will be reimbursed at the rate paid by the State and in accordance with the *Indiana Department of Administration Travel Policy and Procedures* in effect at the time the expenditure is made. Out-of-state travel requests must be reviewed by the State for availability of funds and for conformance with *Travel Policy* guidelines.

52. Waiver of Rights. No right conferred on either party under this Contract shall be deemed waived, and no breach of this Contract excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the State's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Manager shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the Manager's negligent performance of any of the services furnished under this Contract.

53. Work Standards. The Manager shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. Subject to Section 30, if the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Contract, the State may request in writing the replacement of any or all such individuals, and the Manager shall grant such request.

54. Business Dealings with Gary Community School Corporation. The Manager shall not enter into any contracts or agreements with, sell any products or services to, or otherwise engage in business dealings with the School Corporation or any person employed by the School Corporation for the duration of this Contract except as provided for in this Contract or as approved by DUAB in writing. The Manager shall ensure that the School Corporation and any persons employed by the School Corporation acting in their official capacity do not enter contracts or agreements with, purchase any products or services from, or otherwise engage in business dealings with the Manager, its employees, any affiliate or subsidiary of the Manager (including MGT of America Consulting LLC) or their employees, any entity owned in whole or in part by the Manager, its employees, or its affiliates or subsidiaries, or any other person or entity with an ownership interest in the Manager, in whole or in part, for the duration of this Contract except as provided for in this Contract or as approved by DUAB in writing. The Manager shall reimburse the School Corporation for any payments from School Corporation funds made in violation of this Section or, if the Manager does not reimburse the School Corporation, DUAB may withhold payment of any remuneration due to the Manager under this Contract equal to the amount of any payments made from the School Corporation funds made in violation of this Section and reimburse the School Corporation or employee.

55. State Boilerplate Affirmation Clause. I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the State's Boilerplate contract clauses (as contained in the *2022 SCM Template*) in any way except for the following clauses which are named below:

1. Definition of "Manager"
2. Duties of the Manager
3. Consideration
4. Term
6. Assignment; Successors
11. Compliance with Laws
14. Continuity of Services
16. Disputes
17. Drug-Free Workplace Certification
19. Employment Option
20. Force Majeure
21. Funding Cancellation
25. Statutory Limits on Liability
27. Indiana Veteran Owned Small Business Enterprise Compliance
28. Information Technology Enterprise Architecture Requirements
30. Key Persons
33. Minority and Women's Business Enterprise Compliance

35. Notice to Parties
36. Order of Precedence; Incorporation by Reference
37. Ownership of Documents and Materials
38. Payments
46. Termination of Distressed Political Subdivision Designation
47. Termination for Convenience
48. Termination by State for Default by the Manager
49. Termination by the Manager for Default by State
50. Termination – Base Pay & Benchmark Compensation
51. Travel
54. Business Dealings with Gary Community School Corporation

Throughout the contract, “Contractor” has been changed to “Manager” to reflect the actual business arrangement between the State and the Manager.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that the undersigned is the Manager, or that the undersigned is the properly authorized representative, agent, member, or officer of the Manager. Further, to the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent, or officer of the Manager, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Contract other than that which appears upon the face hereof. **Furthermore, if the undersigned has knowledge that a state officer, employee, or special state appointee, as those terms are defined in IC § 4-2-6-1, has a financial interest in the Contract, the Manager attests to compliance with the disclosure requirements in IC § 4-2-6-10.5.**

In Witness Whereof, the Manager and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below agree to the terms thereof.

Gary Schools Recovery, LLC

By: ______________________________

____
Name and Title, Printed

Date: ____________________________

Distressed Unit Appeal Board

By: ___________________________________
Justin McAdam, Chairman

Date: ___________________________________

Approved by:
Indiana Department of Administration

By: __________________________(for)
Rebecca Holwerda, Commissioner

Date: ____________________________

Approved by:
State Budget Agency

By: _______________________________(for)
Zachary Q. Jackson, Director

Date: _________________________________

APPROVED as to Form and Legality:
Office of the Attorney General

By: __________________________(for)
Theodore E. Rokita, Attorney General

Date: ____________________________

Approved by:
Indiana Office of Technology

By: **Not Required**

ATTACHMENT A

SCOPE OF SERVICES

Pursuant to IC § 6-1.1-20.3, the Manager shall serve as the emergency manager for Gary Community School Corporation ("School Corporation"). In this role, the Manager shall perform any and all actions necessary to fully and completely fulfill the duties and responsibilities of the emergency manager set forth in IC § 6-1.1-20.3, including the following services:

STATUTORY RESPONSIBILITIES

1. The Manager shall assume and exercise all of the power, authority, and responsibilities of both the Superintendent (as the School Corporation's executive) and the School Corporation's Board of Trustees (as the School Corporation's governing and fiscal body) during the time in which the School Corporation is a distressed political subdivision. The Manager shall have full responsibility and authority related to financial and academic matters of the School Corporation, and the Manager may act on these financial and academic matters without the approval of the Fiscal Management Board or the School Corporation's Advisory Board.

2. The Manager may adopt, amend, or enforce ordinances and resolutions relating to or affecting the fiscal stability of the School Corporation.

3. The Manager may impose only those taxes or fees that the School Corporation is authorized by law to impose.

4. The Manager shall negotiate and enter into labor contracts and collective bargaining agreements on behalf of the School Corporation. The Manager shall review existing labor contracts and collective bargaining agreements and, if the Manager considers it appropriate, the Manager may attempt to renegotiate such labor contracts and collective bargaining agreements.

5. Subject to existing labor contracts and collective bargaining agreements applicable to the School Corporation, the Manager may do any of the following:
   a. Set the salaries and other compensation of the School Corporation's employees.
   b. Identify and implement labor force reductions, including those allowable under IC § 6-1.1-20.3-16(e).
   c. Outsource services performed by employees of the School Corporation.
   d. Reduce or suspend salaries of the School Corporation's employees.

6. The Manager shall approve payroll and other claims against the School Corporation before payment.

7. The Manager shall review each contract that is in effect for the School Corporation and may, if prudent, renegotiate or cancel the contract to the extent permitted by the contract.

8. The Manager may make, approve, or disapprove the following:
   a. A contract.
   b. An expenditure.
   c. A loan.
   d. The creation of any new position.
   e. The filling of any vacant position.

9. The Manager may do any of the following:
    a. Enter into agreements with other political subdivisions for the provision of services.
    b. Close facilities of the School Corporation.
    c. Sell assets, including real property, of the School Corporation.
        i. If the Manager sells real property, any political subdivision that has territory where the real property is located and institutions of higher education with real property located in Indiana shall be given a thirty (30) day first right to make an offer to purchase the real property. The Manager shall determine whether it is appropriate to accept one (1) of these offers and shall negotiate the terms and conditions of the sale of the real property to the offeror.
        ii. The Manager shall provide written notice to the Mayor of the City of Gary at least thirty (30) days before selling assets. If the Mayor of the City of Gary notifies the Manager of any concerns or objections regarding the proposed sale of the assets, the Manager must confer with the Mayor regarding those concerns or objections.
    d. Transfer property not needed by the School Corporation.
        i. The Manager shall provide written notice to the Mayor of the City of Gary at least thirty (30) days before transferring property. If the Mayor of the City of Gary notifies the Manager of any concerns or objections regarding the proposed transfer of property, the Manager must confer with the Mayor regarding those concerns or objections.
    e. Acquire real property that is necessary to achieve the goals expressed in the written financial plan. Acquisition of real property for school building purposes is subject to DUAB approval pursuant to IC § 6-1.1-20.3-8.7.
    f. Request technical assistance from DUAB and State agencies to assist in carrying out the powers and duties of the Manager as outlined in IC § 6-1.1-20.3-8.5(b).
    g. Request a waiver from the application of IC § 6-1.1-20.6-9.8 regarding the allocation of protected taxes. To do so, the Manager must submit, before May 1 of the year for which the waiver is sought, a written request to DUAB.

10. The Manager may not approve any of the following actions without first obtaining DUAB approval:
    a. Acquiring real property.
    b. Constructing new buildings or remodeling or renovating existing buildings.
    c. Incurring a contractual obligation (except for maintenance contracts or an employment contract for a new employee whose employment replaces the employment of a former employee) that requires an expenditure of more than thirty thousand dollars ($30,000).
    d. Purchasing or entering into an agreement to purchase personal property at a cost of more than thirty thousand dollars ($30,000).
    e. Adopting or advertising a budget, tax levy, or tax rate for an ensuing budget year.

11. The Manager may petition DUAB to terminate the School Corporation's status as a distressed political subdivision when the conditions in IC § 6-1.1-20.3-6.5 are no longer applicable to the School Corporation and the conditions set in IC § 6-1.1-20.3-13(b) are met.

<u>FINANCIAL RESOURCES</u>

1. The Manager may request that DUAB delay or suspend payments of principal and/or interest on the School Corporation's loans or advances from the Common School Fund. In making this request, the Manager shall provide DUAB with an analysis documenting the reason for the request and the long-term impact of the delay or suspension if approved.

2. The Manager may request that DUAB recommend to the State Board of Finance that the State Board of Finance make an interest free loan from the Common School Fund. In making this request, the Manager shall provide DUAB with an analysis documenting the reason for the request and the long-term impact of the loan if approved.

3. The Manager may provide recommendations to DUAB of appropriate benchmarks of financial improvement for the School Corporation.

4. The Manager may request a grant or grants to the School Corporation from the funds appropriated to DUAB to assist the school corporation in overcoming short term financial problems. DUAB may provide a grant or grants to the School Corporation in amounts determined by DUAB.

5. The Manager may provide DUAB with a debt restructuring plan for the possible restructuring of advances made to the School Corporation from the Common School Fund, including possible forgiveness of those advances. The debt restructuring plan shall document the reason for the plan and the long-term impact of the debt restructuring if approved.

6. The Manager shall review the School Corporation's budget. The Manager shall prepare and adopt an annual budget for the School Corporation that dedicates a significant part of the School Corporation's budget to eliminating the School Corporation's outstanding financial obligations. In preparing the budget, the Manager shall consider any recommendations from the School Corporation's Advisory Board, the Fiscal Management Board, and the Mayor of the City of Gary. The Manager shall present the proposed budget to DUAB for review and approval. When the proposed annual budget is submitted to DUAB, the Manager shall provide copies of the proposed annual budget to the Fiscal Management Board and the School Corporation's Advisory Board.

7. The Manager shall attempt to negotiate with the creditors of the School Corporation to establish a plan specifying the schedule for paying each creditor. The Manager shall submit the plan to DUAB for approval.

8. The Manager shall update the written financial plan for the School Corporation (i.e., the deficit reduction plan) on or before February 28 and August 31 of each year or more frequently as needed in order to allow the written financial plan to reflect the most current financial status of the School Corporation.

9. The Manager shall accumulate operational cash reserves for the School Corporation of at least 15% of annual expenditures as of June 30, 2024, as further defined in **Attachment B**.

10. The Manager shall develop a plan to eliminate negative fund balances – except to the extent that any negative balances are eligible for reimbursement – ("Reconciliation Plan") by June 30, 2023. The Manager shall eliminate negative fund balances under the Reconciliation Plan by December 31, 2023.

11. The Manager shall submit to DUAB for approval an annual operating budget for the School Corporation that includes the Education Fund, Operations Fund, Debt Service Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund. The annual operating budget for calendar year 2023 must be submitted to the DUAB Executive Director by January 15, 2023, and on January 15 of each of the following calendar years. The Manager shall establish a target operating reserve level and a target operating surplus for each calendar year.

The annual operating budget shall include the estimated cost of the projected capital maintenance needs of the School Corporation and identify a source of funding sufficient to meet those needs. Additionally, the annual operating budget must be presented to DUAB quarterly and shall include the following:

a. Fund Balances
b. Fund Revenues
c. Fund Expenditures
d. Reserve Levels
e. Operating Surplus/Deficit

For each quarterly presentation, the Manager shall provide DUAB with the year-to-date actual figures compared to the budget figures and a five-year rolling projection for each item included in the operating budget.

STAFFING

1. The Manager shall employ a chief financial officer for the School Corporation. The chief financial officer is an employee of the School Corporation. The Manager shall interview at least one (1) resident of the City of Gary as a candidate for the position. If the Manager is not able to interview a resident of the City of Gary as a candidate for the position, the Manager shall interview at least one (1) resident of Lake County or northwest Indiana as a candidate for the position. The Manager shall supervise the chief financial officer, in order to ensure that the chief financial officer carries out its duty to report to the Manager and assist the Manager in carrying out the day-to-day financial operations of the School Corporation.

2. The Manager shall employ a chief academic officer for the School Corporation, after consultation with the Department of Education. The chief academic officer is an employee of the School Corporation. The Manager shall interview at least one (1) resident of the City of Gary as a candidate for the position. If the Manager is not able to interview a resident of the City of Gary as a candidate for the position, the Manager shall interview at least one (1) resident of Lake County or northwest Indiana as a candidate for the position. The Manager shall supervise the chief academic officer, in order to ensure that the chief academic officer carries out its duty to report to the Manager and assist the Manager in carrying out the academic matters of the School Corporation.

3. The Manager shall publish the organizational chart for the School Corporation on the School Corporation's website, with a link prominently located from the home page, at the start of each school year, in January of each year, and any time significant changes to the organizational structure occur between those times. The organizational chart shall include the names of the individuals occupying each position.

ENGAGEMENT WITH STAKEHOLDERS

1. The Manager shall consider recommendations from the Fiscal Management Board and the School Corporation's Advisory Board.

2. The Manager shall supervise the Fiscal Management Board in order to ensure that the Fiscal Management Board can carry out its duty to serve as a liaison to DUAB, the Mayor of the City of

Gary, and the Department of Education in providing information on a regular basis to parents, students, employees of the School Corporation, and the public.

3. The Manager shall ensure that there is an identified individual on-site at all times who has sufficient decision-making authority to ensure the continued and uninterrupted operation of the School Corporation. The Designated School Operations Lead shall be on-site at least sixty percent (60%) of the work week for at least forty-six (46) weeks of the work year, unless approved in advance and in writing by the DUAB Executive Director. The Designated Academic Lead shall be on-site at least sixty percent (60%) of the work week for at least twenty-six (26) weeks of the work year, unless approved in advance and in writing by the DUAB Executive Director. If at any time the Designated School Operations Lead will be unable to perform her duties, the Manager may delegate the responsibilities of the Designated School Operations Lead to Mr. Eric Parish, Mr. Rajeev Bajaj, or Mr. Andre Wright without the consent of the DUAB Executive Director but with notice to the DUAB Executive Director of such delegation. Notice shall be provided as soon as practicable but no later than forty-eight (48) hours after the delegation occurs. If delegation to Mr. Parish, Mr. Bajaj, or Mr. Wright is not possible, the Manager may delegate the responsibilities of the Designated School Operations Lead to another member of the Manager's project team if approved in advance and in writing by the DUAB Executive Director. The request for such delegation shall be provided at least five (5) business days in advance. In the case of an emergency, notice shall be provided as soon as practicable but no later than forty-eight (48) hours after the delegation occurs. Notwithstanding any such delegation, the Designated School Operations Lead named in Section 30 of the Contract remains a Key Person under this Contract.

4. In accordance with Ind. Code § 6-1.1-20.3-6.8, the Manager shall hold a monthly public forum to provide an update on the School Corporation to the general public. Each forum shall be led by the Designated School Operations Lead and the Designated Academic Lead, with one of the Project Executives in attendance at each meeting. The Designated School Operations Lead and the Designated Academic Lead may only miss one (1) monthly public forum each year, and any monthly public forum missed may not coincide with the absence of the other. The eight (8) monthly public forums shall be held in-person during any eight (8) of the following nine (9) months: January, February, March, April, May, September, October, November, and December. The Designated School Operations Lead, the Designated Academic Lead, and the Project Executive shall attend each of these meetings in-person. For the remaining months, the monthly public forum may be held in an alternative format, at the Manager's discretion. The Manager, with input from the DUAB Executive Director, shall determine the date and time for the monthly public forum each month, taking into consideration the events in the community also scheduled during that month. The forum shall be held at a school building in a room large enough to seat 200 people comfortably. Each monthly public forum shall be live-streamed and recorded for members of the public to view at a later date. The Manager shall post notice of time and location of each forum in a prominent location on the landing page of School Corporation website. During the public forum, the Manager shall allow for public comment. Anyone wishing to provide public comment shall be given the opportunity to sign-up at least 30 minutes prior to and 15 minutes after the start of the meeting. Time limits for those providing public comments shall be no shorter than three (3) minutes. At least 120 minutes of each public forum shall be reserved for public comment. With the approval of DUAB, the Manager may establish additional policies and procedures regarding public comment, in the same manner in which a school corporation governing body may adopt such policies and procedures. The Manager shall provide answers to questions asked by attendees of the public forum, within fourteen (14) calendar days and shall post the questions and answers to the School Corporation's website, with a link prominently located from the home page. The Manager may consult with the DUAB Executive Director about

which questions at the public forum require a written response. The Manager shall also provide the questions and answers to the DUAB Executive Director at the same time.

5. The Manager shall attend Advisory Board meetings to provide general updates about the School Corporation and present the information set forth below at such meetings. The Manager is not required to attend more than four (4) quarterly meetings in a calendar year. The Designated School Operations Lead or her designee shall attend each quarterly Advisory Board meeting to present the following reports to the Advisory Board:

    a. Cash Flows (levied funds);
    b. Financials by Fund Report (all funds);
    c. A/P and Purchase Orders (bi-weekly);
    d. 1065 Claims Docket (month);
    e. 1065 Control Document (all time);
    f. ESSER Expense Journal (month); and
    g. ESSER Summary (all time).

    The Manager will provide these reports to the Advisory Board in electronic and hard copy format three (3) days prior the meeting. The amount of time the Designated School Operations Lead or her designee is required to attend each Advisory Board meeting shall not exceed one (1) hour.

6. The Manager shall implement community engagement measures which may include town hall meetings, electronic messaging, and other means.

7. The Manager shall meet with key stakeholders at the request of DUAB, including members of the General Assembly, the Department of Education, State Board of Accounts, the Department of Local Government Finance, the City of Gary, and other stakeholders as identified by DUAB.

8. The Manager shall attend DUAB meetings and present as requested at such meetings.

<u>FACILITIES</u>

1. The Manager shall provide DUAB with at least quarterly updates on the school improvement fund and the plan approved by DUAB. The Manager shall develop and post on the School Corporation website, with a link prominently located on the home page, progress of approved projects, expenditures associated with these projects, and the fund balance in the school improvement fund.

2. The Manager shall make a good faith effort to dispose of vacant buildings of the School Corporation, either through sale of the properties or demolition. The goal of this work is to have disposed of all vacant buildings and empty parcels by the end of the contract term. The Manager shall notify DUAB before selling or transferring any buildings.

3. The Manager shall make a good faith effort to sell or transfer the Roosevelt building to a new owner. The Manager shall consider the historic nature of the building in making any decisions regarding its sale or transfer and shall engage community members for input prior to making any decisions. The Manager shall obtain the approval of DUAB before selling or transferring this building.

ANALYSIS AND REPORTING

1. The Manager shall prepare an analysis and report on the governance structure of the School Corporation. The report shall include options on alternative governance structures and an evaluation of the ability of such governance structures to ensure the financial and educational success of the School Corporation. The report shall be provided to DUAB not more than one hundred twenty (120) days after DUAB provides a written request for such report.

2. The Manager shall submit a written report to DUAB each month by the fifth day of the month, that includes all School Corporation expenditures made by the Manager, as well as the most currently available information for the following items:

    a. Cash Flows (levied funds);
    b. Financials by Fund Report (all funds);
    c. A/P and Purchase Orders (bi-weekly);
    d. 1065 Claims Docket (month);
    e. 1065 Control Document (all time);
    f. ESSER Expense Journal (month);
    g. ESSER Summary (all time); and
    h. Five-Year Financial Forecast.

3. Pursuant to Ind. Code § 6-1.1-20.3-6.8, the Manager shall provide quarterly reports to the School Corporation's Advisory Board, the Fiscal Management Board, and the Mayor of the City of Gary. On a quarterly basis, the Manager shall present these reports at a public meeting of the Fiscal Management Board.

4. At least five (5) business days prior to each DUAB board meeting, the Manager will provide to the DUAB Executive Director a board packet consisting of a manager's report, an update on academic initiatives and progress, and any other relevant information as needed. The Manager will provide a list of documents included in the board packet. Where possible, electronic documents should be provided in a searchable format, as opposed to scanned images.

5. In addition to the monthly financial reports and board packets, the Manager shall provide a weekly status update to the DUAB Executive Director. Such status updates can be made in written or verbal form as agreed-upon by the Manager and the DUAB Executive Director.

6. The Manager shall first obtain DUAB approval before commencing any significant decisions or actions. The Manager must provide the DUAB Executive Director with sufficient notice to enable DUAB to fully review and evaluate the decision or action. At a minimum, such notice must be provided at least thirty (30) days in advance of the time for commencing any decisions or actions, unless the DUAB Chairman agrees to a shorter advance notice. Such decisions or action items include, but are not limited to, the following:
    a. Issuance of any debt or incurring of any loan obligations.
    b. Any project to be undertaken that is anticipated to have more than $250,000 in expenses in aggregate, even if structured as individual projects.
    c. Closing a school building or a major program operated by the School Corporation.
    d. Modifications to the operational model utilized at the School Corporation, including any implementation of innovation networks, transformation zones or charter schools.

7. The Manager shall comply with all federal, state, and local reporting requirements and ensure that all reports are submitted in a timely and thorough manner so as to meet all program requirements.

8. The Manager shall provide DUAB with other information, reports or recommendations as requested by DUAB or the DUAB Executive Director.

OTHER DUTIES/PROVISIONS

1. The Manager shall comply with the guidelines and statutes for Indiana school corporations and shall administer all programs, contracts, grants, and awards in accordance with all federal, state, and local laws, regulations, and guidelines. The Manager, as the Superintendent and Board of Trustees, shall comply with all federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby just as the School Corporation, the Superintendent, and Board of Trustees would be required to comply with such laws, rules, regulations, and ordinances, except to the extent such laws, rules, regulations, and ordinances are abrogated by Indiana statutes. Where federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby require separate or complementary actions by the Superintendent and the Board of Trustees, the Manager shall, in consultation with the DUAB, establish alternative procedures sufficient to ensure similar procedural checks and balances to the extent feasible.

2. The Manager and any member of the Manager’s team who will be on School Corporation property or in School Corporation buildings must complete a criminal background check and any school safety training required of employees of school corporations. Such background checks and training must be completed within the time period afforded by law. The Manager must notify the DUAB Executive Director of all members of their team who will be on School Corporation property or in School Corporation buildings for the first time twenty-four (24) hours before the employee enters School Corporation property or buildings. The Manager must provide a copy of the results of the background check to the DUAB Executive Director within five (5) days of the completion of the background check. DUAB may request additional information about the Manager’s employees or bar the Manager’s employees from the School Corporation or participation in the engagement.

3. The Manager shall obtain surety bonds for any member of the Manager’s team that will have authority over or access to public funds of the School Corporation. These surety bonds shall be obtained in the same manner for which bonds would be required for the Superintendent, School Corporation Board of Trustees, and any other School Corporation employee for which a surety bond would typically be required. The surety bonds shall be obtained within thirty (30) days of the execution of this contract. Documentation of the bonds shall be provided to the DUAB Executive Director within five (5) days of obtaining the bonds.

ATTACHMENT B

The Benchmark Compensation applied to Year 1 shall not exceed $750,000, and the Benchmark Compensation applied to Year 2 shall not exceed $1,550,000.

PERFORMANCE BENCHMARKS

In any benchmark, where it is stated that the benchmark must increase by a specified percentage (as opposed to percentage points) (each, a "Specified Percentage Increase") compared or as compared to a metric that is itself a percentage (each, a "Base Percentage"), the benchmark shall be the product of (1) the sum of one plus such Specified Percentage Increase times (2) the Base Percentage. For example:

Specified Percentage Increase		10%
Base Percentage		80%
(1 +10%) x 80%	=	88%

In any benchmark, where it is stated that there must be an increase by a percentage point ("Specified Percentage Point Increase"), the benchmark shall be the product of the year's percentage ("Base Percent") and the Specified Percentage Point Increase ("Specified Percent Increase"). For example:

Base Percent		10%
Specified Percentage Point Increase		2 Percentage Points
10% + 2%	=	12%

In any benchmark, only one (1) Achievement Tier may be claimed by the Manager. For example, if the Manager meets Achievement Tier 2 for the ILEARN Proficiency (ELA) Benchmark, the total compensation for the benchmark would be $63,750.

YEAR 1:

1. ACADEMIC BENCHMARKS

A. ILEARN Proficiency (Benchmarks 1-2)

1. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 on the 2022-23 ILEARN state assessment as documented on the "Corporation Report Card" who are approaching proficiency, at proficiency, or above proficiency by the tiers outlined below as compared to the 2021-22 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the Indiana Department of Education ("IDOE"), the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Proficiency (ELA)	1	Increase by 2 Percentage Points	$37,500
	2	Increase by 4 Percentage Points	$63,750
	3	Increase by 7 Percentage Points	$75,000

Benchmark Compensation for this benchmark shall not exceed **$75,000**.

2. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 on the 2022-23 ILEARN state assessment as documented on the "Corporation Report Card" who are approaching proficiency, at proficiency, or above proficiency by the tiers outlined below as compared to the 2021-22 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Proficiency (Math)	1	Increase by 2 Percentage Points	$37,500
	2	Increase by 4 Percentage Points	$63,750
	3	Increase by 7 Percentage Points	$75,000

Benchmark Compensation for this benchmark shall not exceed **$75,000**.

B. ILEARN Growth (Benchmarks 3-4)

3. For ELA, the School Corporation shall see an increase in the percentage of students in grades 4-8 who move to a higher proficiency level (i.e. below proficiency to approaching proficiency, approaching proficiency to proficient, and proficient to above proficient) on the 2022-23 ILEARN state assessment by the tiers outlined below as compared to the 2021-22 ILEARN state assessment results. Students identified as achieving "above proficiency" on the 2021-22 ILEARN state assessment shall be excluded for purposes of calculating performance under this benchmark. Further, only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the ILEARN state assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the state assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Growth (ELA)	1	12% of Students Move to Higher Proficiency Level	$50,000
	2	14% of Students Move to Higher Proficiency Level	$85,000
	3	16% of Students Move to Higher Proficiency Level	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

4. For Math, the School Corporation shall see an increase in the percentage of students in grades 4-8 who move to a higher proficiency level (i.e. below proficiency to approaching proficiency, approaching proficiency to proficient, and proficient to above proficient) on the 2022-23 ILEARN state assessment by the tiers outlined below as compared to the 2021-22 ILEARN state assessment results. Students identified as achieving "above proficiency" on the 2021-22 ILEARN state assessment shall be excluded for purposes of calculating performance under this benchmark. Further, only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the ILEARN state assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the state assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Growth (Math)	1	5% of Students Move to Higher Proficiency Level	$50,000
	2	8% of Students Move to Higher Proficiency Level	$85,000
	3	12% of Students Move to Higher Proficiency Level	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

C. <u>IREAD-3 Proficiency (Benchmark 5)</u>

5. The School Corporation shall see an increase in the percentage of students in grade 3 who pass the 2022-23 IREAD-3 state assessment as documented on the "Corporation Report Card" by the tiers outlined below as compared to the 2021-22 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement

of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
IREAD- 3 Proficiency	1	Increase by 2 Percentage Points	$50,000
	2	Increase by 4 Percentage Points	$85,000
	3	Increase by 6 Percentage Points	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

D. <u>Formative Assessments – "Typical" Growth Goals</u> (Benchmarks 6-7)

6. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet or exceed their IDOE-approved i-Ready formative reading assessment "typical" growth goal in Spring 2023 by the tiers outlined below as compared to the baseline goals in Fall 2022. Only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. The Manager shall submit a report to DUAB in June 2023 documenting the formative assessment scores from the 2022-2023 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Typical" Growth Goals (ELA)	1	44% Meet or Exceed	$18,750
	2	47% Meet or Exceed	$31,875
	3	50% Meet or Exceed	$37,500

Benchmark Compensation for this benchmark shall not exceed **$37,500**.

7. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet or exceed their IDOE-approved i-Ready formative math assessment "typical" growth goal in Spring 2023 by the tiers outlined below as compared to the baseline goals in Fall 2022. Only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. The Manager shall submit a report to DUAB in June 2023 documenting the formative assessment scores from the 2022-2023 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Typical" Growth Goals (Math)	1	44% Meet or Exceed	$18,750
	2	47% Meet or Exceed	$31,875
	3	50% Meet or Exceed	$37,500

Benchmark Compensation for this benchmark shall not exceed **$37,500**.

E. Formative Assessments – "Stretch" Goals (Benchmarks 8-9)

8. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet their IDOE-approved i-Ready formative reading assessment "stretch" goal in Spring 2023 by the tiers outlined below as compared to the baseline goals in Fall 2022. Only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. The Manager shall submit a report to DUAB in June 2023 documenting the formative assessment scores from the 2022-2023 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Stretch" Goals (ELA)	1	20% Meet Goals	$6,250
	2	22% Meet Goals	$10,625
	3	24% Meet Goals	$12,500

Benchmark Compensation for this benchmark shall not exceed **$12,500**.

9. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet their IDOE-approved i-Ready formative reading assessment "stretch" goal in Spring 2023 by the tiers outlined below as compared to the baseline goals in Fall 2022. Only those students enrolled on or before the Fall 2022 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. The Manager shall submit a report to DUAB in June 2023 documenting the formative assessment scores from the 2022-2023 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Stretch" Goals (Math)	1	20% Meet Goals	$6,250
	2	22% Meet Goals	$10,625
	3	24% Meet Goals	$12,500

Benchmark Compensation for this benchmark shall not exceed **$12,500**.

F. Graduation Rate (Benchmark 10)

10. The School Corporation shall see an increase in the district graduation rate including 5th year graduates for the 2022-2023 school year by the tier outlined below as compared to the graduation rate for the 2021-2022 school year. For purposes of achieving this benchmark, the general diplomas awarded by the School Corporation must be no more than 5% of total diplomas awarded. The attainment date for this benchmark shall be the end of Year 1 of the Contract Term. Within ninety (90) days of release of the graduation rate data by the IDOE, the Manager shall submit a letter to DUAB that documents the graduation rate and includes the IDOE released report. DUAB, in conjunction with IDOE, shall evaluate the district graduation rate data released by IDOE for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the district graduation rate data and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
Graduation Rate (including 5th Year Graduates)	1	80% Graduation Rate	$50,000
	2	82% Graduation Rate	$100,000
	3	84% Graduation Rate	$150,000

Benchmark Compensation for this benchmark shall not exceed **$150,000**.

2. FISCAL BENCHMARK

A. Public Forums (Benchmark 11)

The Manager shall complete all eight (8) monthly public forums in Year 1 as outlined in **Attachment A**, and the Manager shall provide an update on the monthly public forums to DUAB at the regularly scheduled DUAB meetings. Within ninety (90) days of the last monthly public forum completed in Year 1 of the Contract Term, the Manager shall submit to the DUAB Executive Director any necessary documentation for each required monthly forum, including public notices and forum agendas. Upon DUAB's review of the submitted documentation and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation not to exceed **$50,000.**

YEAR 2:

1. ACADEMICS

A. ILEARN Proficiency (Benchmarks 1-2)

1. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 on the 2023-24 ILEARN state assessment as documented on the "Corporation Report Card" who are approaching proficiency, at proficiency, or above proficiency by the tiers outlined below as compared to the 2022-23 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Proficiency (ELA)	1	Increase by 2 Percentage Points	$37,500
	2	Increase by 4 Percentage Points	$63,750
	3	Increase by 7 Percentage Points	$75,000

Benchmark Compensation for this benchmark shall not exceed **$75,000**.

2. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 on the 2023-24 ILEARN state assessment as documented on the "Corporation Report Card" who are approaching proficiency, at proficiency, or above proficiency by the tiers outlined below as compared to the 2022-23 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Proficiency (Math)	1	Increase by 2 Percentage Points	$37,500
	2	Increase by 4 Percentage Points	$63,750
	3	Increase by 7 Percentage Points	$75,000

Benchmark Compensation for this benchmark shall not exceed **$75,000**.

B. <u>ILEARN Growth</u> (Benchmarks 3-4)

3. For ELA, the School Corporation shall see an increase in the percentage of students in grades 4-8 who move to a higher proficiency level (i.e. below proficiency to approaching proficiency, approaching proficiency to proficient, and proficient to above proficient) on the 2023-24 ILEARN state assessment by the tiers outlined below as compared to the 2022-23 ILEARN state assessment results. Students identified as achieving "above proficiency" on the 2022-23 ILEARN state assessment shall be excluded for purposes of calculating performance

under this benchmark. Further, only those students enrolled on or before the Fall 2023 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the ILEARN state assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the state assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Growth (ELA)	1	12% of Students Move to Higher Proficiency Level	$50,000
	2	14% of Students Move to Higher Proficiency Level	$85,000
	3	16% of Students Move to Higher Proficiency Level	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

4. For Math, the School Corporation shall see an increase in the percentage of students in grades 4-8 who move to higher proficiency level (i.e. below proficiency to approaching proficiency, approaching proficiency to proficient, and proficient to above proficient) on the 2023-24 ILEARN state assessment by the tiers outlined below as compared to the 2022-23 ILEARN state assessment results. Students identified as achieving "above proficiency" on the 2022-23 ILEARN state assessment shall be excluded for purposes of calculating performance under this benchmark. Further, only those students enrolled on or before the Fall 2023 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the ILEARN state assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the state assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
ILEARN Growth (Math)	1	5% of Students Move to Higher Proficiency Level	$50,000
	2	8% of Students Move to Higher Proficiency Level	$85,000
	3	12% of Students Move to Higher Proficiency Level	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

C. IREAD-3 Proficiency (Benchmark 5)

5. The School Corporation shall see an increase in the percentage of students in grade 3 who pass the 2023-24 IREAD-3 state assessment as documented on the "Corporation Report Card" by the tiers outlined below as compared to the 2022-23 Corporation Report Card. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of publication of the Corporation Report Card by the IDOE, the Manager shall submit a letter to DUAB that documents the testing results and includes the Corporation Report Card. DUAB, in conjunction with IDOE, shall evaluate the Corporation Report Card for the School Corporation published by IDOE to determine if the benchmark has been achieved. Upon DUAB's review of the Corporation Report Card and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
IREAD- 3 Proficiency	1	Increase by 2 Percentage Points	$50,000
	2	Increase by 4 Percentage Points	$85,000
	3	Increase by 6 Percentage Points	$100,000

Benchmark Compensation for this benchmark shall not exceed **$100,000**.

D. Formative Assessments – "Typical" Growth Goals (Benchmarks 6-7)

6. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet or exceed their IDOE-approved i-Ready formative reading assessment "typical" growth goal in Spring 2024 by the tiers outlined below as compared to the baseline goals in Fall 2023. Only those students enrolled on or before the Fall 2023 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. The Manager shall submit a report to DUAB in June 2024 documenting the formative assessment scores from the 2023-2024 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Typical" Growth Goals (ELA)	1	44% Meet or Exceed	$18,750
	2	47% Meet or Exceed	$31,875
	3	50% Meet or Exceed	$37,500

Benchmark Compensation for this benchmark shall not exceed **$37,500**.

7. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet or exceed their IDOE-approved i-Ready formative math assessment "typical" growth goal in Spring 2024 by the tiers outlined below as compared to the baseline goals in Fall 2023. Only those students enrolled on or before the Fall 2023 ADM count day shall be

considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. The Manager shall submit a report to DUAB in June 2024 documenting the formative assessment scores from the 2023-2024 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Typical" Growth Goals (Math)	1	44% Meet or Exceed	$18,750
	2	47% Meet or Exceed	$31,875
	3	50% Meet or Exceed	$37,500

Benchmark Compensation for this benchmark shall not exceed **$37,500**.

E. <u>Formative Assessments – "Stretch" Goals</u> (Benchmarks 8-9)

8. For ELA, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet their IDOE-approved i-Ready formative reading assessment "stretch" goal in Spring 2024 by the tiers outlined below as compared to the baseline goals in Fall 2023. Only those students enrolled on or before the Fall 2023 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. The Manager shall submit a report to DUAB in June 2024 documenting the formative assessment scores from the 2023-2024 school year and including supportive evidence from the i-Ready system. DUAB, in conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Stretch" Goals (ELA)	1	20% Meet Goals	$6,250
	2	22% Meet Goals	$10,625
	3	24% Meet Goals	$12,500

Benchmark Compensation for this benchmark shall not exceed **$12,500**.

9. For Math, the School Corporation shall see an increase in the percentage of students in grades 3-8 who meet their IDOE-approved i-Ready formative reading assessment "stretch" goal in Spring 2024 by the tiers outlined below as compared to the baseline goals in Fall 2023. Only those students enrolled on or before the Fall 2023 ADM count day shall be considered for purposes of calculating performance under this benchmark. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. The Manager shall submit a report to DUAB in June 2024 documenting the formative assessment scores from the 2023-2024 school year and including supportive evidence from the i-Ready system. DUAB, in

conjunction with IDOE, shall evaluate the i-Ready formative assessment results for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the formative assessment results and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
i-Ready "Stretch" Goals (Math)	1	20% Meet Goals	$6,250
	2	22% Meet Goals	$10,625
	3	24% Meet Goals	$12,500

Benchmark Compensation for this benchmark shall not exceed **$12,500**.

F. Graduation Rate (Benchmark 10)

10. The School Corporation shall see an increase in the district graduation rate including 5th year graduates for the 2023-2024 school year by the tier outlined below as compared to the graduation rate for the 2022-2023 school year. For purposes of achieving this benchmark, the general diplomas awarded by the School Corporation must be no more than 5% of total diplomas awarded. The attainment date for this benchmark shall be the end of Year 2 of the Contract Term. Within ninety (90) days of release of the graduation rate data by the IDOE, the Manager shall submit a letter to DUAB that documents the graduation rate and includes the IDOE released report. DUAB, in conjunction with IDOE, shall evaluate the district graduation rate data released by IDOE for the School Corporation to determine if the benchmark has been achieved. Upon DUAB's review of the district graduation rate data and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Compensation
Graduation Rate (including 5th Year Graduates)	1	Increase by 1 Percentage Point	$50,000
	2	Increase by 2 Percentage Points	$100,000
	3	Increase by 3 Percentage Points	$150,000

Benchmark Compensation for this benchmark shall not exceed **$150,000**.

2. FISCAL BENCHMARKS

A. Financial Reserves (Benchmark 11)

Achievement of the Financial Reserves Benchmark requires the School Corporation to meet the requirements of the Operational Cash Reserves Percentage and the Net Operating Surplus as described herein. The School Corporation shall maintain an operational cash reserve of at least 15% through June 30, 2024. The School Corporation must also maintain a $1,500,000 net operating surplus (Surplus) by June 30, 2024, and demonstrate that the School Corporation will be able to maintain a $1,500,000 net operating surplus for each of the years ending June 30, 2025, 2026, 2027, 2028, and 2029.

Operational Cash Reserves Percentage

The Operational Cash Reserves Percentage shall be calculated by dividing the sum of the June 30th reconciled fund balances for the Education Fund, Operations Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund by the sum of the annual disbursements from the Education Fund, Operations Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund for the same year.

The calculation shall be adjusted to eliminate the effects of interfund transfers into and out of any of the five (5) funds during the year to ensure the Operational Cash Reserves Percentage reflects properly the actual disbursements from all funds. Adjustment must also be made for increases in accounts payable after June 30, 2022. The outstanding accounts payable as of June 30, 2022, for the Education Fund, Operations Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund, shall be compared to the outstanding accounts payable for each of these five (5) funds on June 30, 2024. The amount of any increase in outstanding accounts payable determined by this comparison must be added to the total disbursements used in the calculation of the Operational Cash Reserves Percentage.

Education Fund Balance	Education Fund Total Disbursements
Operations Fund Balance	Operations Fund Total Disbursements
Operating Referendum Fund Balance	Operating Referendum Total Disbursements
Rainy Day Fund Balance	Rainy Day Fund Total Disbursements
+ US Steel Fund Balance	U.S. Steel Fund Total Disbursements
Total Fund Balance	Elimination of Interfund Transfers
	+ Increase in Identified Accounts Payable
	Total Disbursements & Adjustments

$$\frac{\text{Total Fund Balance}}{\text{Total Disbursements \& Adjustments}} = \text{Operational Cash Reserve \%}$$

Net Operating Surplus

The Net Operating Surplus shall be calculated as of June 30, 2024, by subtracting the sum of the annual disbursements from the sum of the annual receipts for the Education Fund, Operations Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund, as adjusted to eliminate the effect of interfund transfers to and from funds other than these five (5) funds.

Education Fund Total Receipts	Education Fund Total Disbursements
Operations Fund Total Receipts	Operations Fund Total Disbursements
Operating Referendum Fund Total Receipts	Operating Referendum Total Disbursements
Rainy Day Total Receipts	Rainy Day Fund Total Disbursements
+ US Steel Fund Total Receipts	+ U.S. Steel Fund Total Disbursements
Total Fund Receipts	**Total Disbursements**

Total Fund Receipts
- Total Disbursements
Net Operating Surplus

To document maintenance of the $1,500,000 Surplus, the following calculation should be shown for each of the years ending June 30, 2025, 2026, 2027, 2028, and 2029. The Surplus should be calculated by subtracting the sum of the annual recurring disbursements for the Education Fund, Operations Fund, Operating Referendum Fund, Rainy Day Fund, and U.S. Steel Fund from the sum of the annual recurring receipts for the same five (5) funds. For purposes of this calculation, recurring receipts and recurring disbursements are receipts and disbursements expected to recur for more than two (2) consecutive calendar years. The Manager must provide the detail of each non-recurring receipt and disbursement omitted from the calculation. Details include at a minimum a description, source of receipt, vendor for disbursement, and amount of the non-recurring transaction.

For purposes of projecting tuition support receipts, for the next five (5) fiscal years, the Manager may assume that the School Corporation's ADM remains the same as the most recent ADM count and may assume that receipts grow by 2% per year or the actual amount based on the tuition support formula adopted by the General Assembly. Projections of non-tuition support receipts should use the assumption that receipts will grow by 3% per year. The Manager must assume that disbursements will increase by 3% per year unless it is known disbursements will be higher than 3%. If known increases exceed 3% for a disbursement, the known increase must be incorporated into the projection of the Surplus.

Required Documentation

The Manager must provide DUAB with a letter and supporting documentation confirming that the Operational Cash Reserves Percentage has been maintained and the Surplus has been attained and can be maintained for the five (5) fiscal years beginning with 2025 and ending 2029, no later than September 30, 2024. The documentation submitted must be based on actual receipts, disbursements, and cash balances of the School Corporation as reported in the Form 9 submitted by the School Corporation to the Indiana Department of Education (IDOE) and the Annual Financial Report (AFR) submitted in Gateway for audit. Supporting bank statements and reconciliation documentation must also be submitted to DUAB in addition to the required support listed above within the Operational Cash Reserves Percentage and Surplus requirements.

DUAB shall review the documentation provided and may utilize state agencies or an outside entity to verify the accuracy of the financial data to determine if the Surplus has been met and maintained and the Operational Cash Reserves Percentage maintained. The benchmark must be attained at the end of Year 2 of the Contract Term. The benchmark cannot be attained until the School Corporation's June 2024 accounting records have been closed and the Indiana State Board of Accounts (SBOA) has completed an audit to determine that the School Corporation maintained the Operational Cash Reserves Percentage and met the Surplus at the end of Year 2 of the Contract Term. Upon DUAB's review and verification of the Operational Cash Reserves Percentage and the Net Operating Surplus, the Manager shall receive the Benchmark Compensation in accordance with the applicable Achievement Tier as follows:

Content/Category	Tier	Benchmark	Surplus	Compensation
Operational Cash Reserves Percentage	1	15% Reserves	$1,500,000	$300,000
	2	16% Reserves	$1,500,000	$400,000
	3	17% Reserves	$1,500,000	$500,000
	4	18% Reserves	$1,500,000	$600,000
	5	19% Reserves	$1,500,000	$700,000
	6	20% Reserves	$1,500,000	$800,000

Benchmark Compensation for this benchmark shall not exceed **$800,000**.

B. Public Forums (Benchmark 12)

The Manager shall complete all eight (8) monthly public forums in Year 2 as outlined in **Attachment A**, and the Manager shall provide an update on the monthly public forums to DUAB at the regularly scheduled DUAB meetings. Within ninety (90) days of the last monthly public forum completed in Year 2 of the Contract Term, the Manager shall submit to the DUAB Executive Director any necessary documentation for each required monthly forum, including public notices and forum agendas. Upon DUAB's review of the submitted documentation and successful achievement of the benchmark, the Manager shall receive Benchmark Compensation not to exceed **$50,000.**