

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Service Agreement (the "Agreement") is entered into effective as of July 1, 2021, by and between the Chester Upland School District (the "District") and the Montgomery County Intermediate Unit (the "MCIU").

Background

The District, through its court-appointed Receiver, Dr. Juan R. Baughn, desires to engage the MCIU for the provision of certain Administrative Services (the "Services") to oversee daily operation of the District's education program pursuant to the terms and conditions set forth herein.

Therefore, in consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

1. Engagement. During the term of this Agreement and subject to the terms and conditions set forth herein, the District hereby engages the MCIU to provide the Services to oversee daily operation of the District's education program, as set forth herein. The District will provide the MCIU with use of and space, equipment, and computer system in the District's facilities for the operation of the Services free of rent, utility charges, and other fees. The District will also provide the MCIU with remote access to the District's computer system as needed for the MCIU to provide the Services.

2. Term. This Agreement shall commence on July 1, 2021 and shall continue in effect for three years until June 30, 2024, unless terminated by either of the parties pursuant to Section 6 herein.

3. Scope of Services. Unless modified by mutual agreement of the parties, the MCIU understands this arrangement is based on the June 22, 2021 report to the Court and the complete contents of the attached Administrative Services Proposal dated June 4, 2021.

4. Personnel Requirements. In consultation with the Receiver, the MCIU shall employ and provide staff for administrative positions as needed in the course of performing the Services.

4.1 MCIU personnel performing the Services shall be suitably skilled, experienced and qualified to perform their assigned duties. If the District has objective good cause to be dissatisfied with the qualifications or performance of such personnel, the District shall so notify MCIU in writing of the reasons supporting that belief. Unless the individual in question presents an immediate risk of harm to the District or to students, as substantiated in writing by the District, MCIU shall have thirty (30) days to remediate the concerns identified by the District. If thereafter such personnel remains unsatisfactory to the District for objective good cause, MCIU shall replace such individual with someone who is suitably skilled, experienced and qualified to perform the assigned duties. The District shall not be responsible for any costs or expenses associated with the MCIU's compliance with the terms of this Section. The MCIU shall continue to perform its obligations under the Agreement notwithstanding the replacement of any such individual in accordance with the terms of this Section.

4.2 MCIU personnel performing the Services shall provide to the District all legally-required background clearances prior to performing such Services.

4.3 Over time, the Receiver may desire to have the District become the direct employer of administrative personnel initially employed by the MCIU to provide Services under this Agreement, in which event the District will provide such Services instead of the MCIU.

5. Fees and Payment.

5.1 In consideration for the MCIU providing the Services, the District agrees to make the following payments to the MCIU: \$3,579,685 per year, to be paid by the District in twelve (12) equal monthly payments upon receipt of monthly invoices presented by the MCIU. The District will also within 30 days of receipt of an invoice reimburse the MCIU for any legal expense incurred in connection with entering this Agreement or performing the MCIU's obligations under this Agreement.

5.2 The District understands that the amount of fees to be paid to the MCIU might increase if the MCIU finds that additional personnel or other expenses beyond those outlined in the MCIU's written Services Proposal are required in order to perform the Services pursuant to this Agreement. In such event, Dr. Juan R. Baughn as court-appointed Receiver and Dr. Regina C. Speaker as Executive Director of the MCIU will discuss and agree on the amount of such additional fees. If they fail to reach agreement, the MCIU will have no obligation to provide such additional personnel or incur such expenses, and the District understands that failure to provide such additional personnel and incur such expenses might limit or prevent the MCIU from fulfilling all obligations related to the Scope of Services. Similarly, Dr. Baughn and Dr. Speaker may agree on reduction of the fee amount if required personnel or other expenses are reduced during the term of this Agreement as a result of services provided by employees hired by the District or for other reasons.

5.3 The District will provide for all payments owed to the MCIU in the District's budget, and take all steps required by applicable law in order to make such payments.

6. Termination.

6.1 Termination for Cause. Either party shall have the right to terminate this Agreement upon the failure of the other party to comply with any of the terms of this Agreement or otherwise discharge its duties hereunder in any material respect, if such failure or breach is not cured within thirty (30) days of such breaching party's receipt of written notice specifying the nature of such failure or breach with particularity.

6.2 Termination for Convenience. Either party shall have the right to terminate this Agreement for its convenience effective July 1 of any year during the term hereof by providing at least ninety (90) days' written notice to the other party of such intention to terminate. In addition, in the event the Receiver reduces the fee amount pursuant to Section 5.2 of this Agreement, the MCIU may terminate the Agreement for its convenience by providing at least sixty (60) days' written notice to the District.

6.3 Unbilled Work. Any unbilled work will be invoiced upon notice of termination and shall be paid in accordance with the payment terms of this Agreement.

6.4 Payments after Termination or Expiration. Any termination of this Agreement shall not eliminate the District's obligation to pay for services rendered or expenses incurred by the MCIU prior to the effective date of the termination. The District's liability to pay such expenses shall survive the termination or expiration of this Agreement.

7. Insurance.

7.1 During and throughout the entire Term of this Agreement, the District shall maintain insurance in form and amounts satisfactory to the MCIU, including but not limited to the following as minimum insurance coverage and limits:

- a. Comprehensive General Liability - for bodily injury and property damage, including any liability normally covered by a general liability policy, with limits of not less than \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate.
- b. Automobile Liability – with a combined single limit of not less than \$1,000,000.
- c. Worker's Compensation – with coverage in compliance with the statutory requirements.
- d. Employer's Liability - with limits of not less than \$100,000 each accident, \$500,000 disease-policy limit, and \$100,000 disease-each employee.
- e. Errors and Omissions – with limits of not less than \$1,000,000 per occurrence and \$1,000,000 in the annual aggregate.
- f. Commercial Umbrella – with limits of not less than \$10,000,000 per occurrence and \$10,000,000 in the annual aggregate.

7.2 The comprehensive general liability, automobile liability, errors and omissions, and commercial umbrella insurance shall be primary to the MCIU's insurance, and the MCIU, its board members, officers, employees and agents shall be named as additional insureds. Such policies shall include a waiver of subrogation in favor of the MCIU, and acknowledgement the District's policy will be primary and non-contributory.

7.3 The District shall furnish to the MCIU a certificate of insurance evidencing all required coverage in at least the limits required herein. All insurance policies shall be in effect with companies holding an A.M. Best rating of "A-" or better financial rating with the A.M. Best's Company Key Rating, Guide - Latest Edition and shall be licensed or authorized to do business in the Commonwealth of Pennsylvania. Such companies shall also be acceptable to the MCIU.

7.4 Each insurance policy shall remain in full force and effect until the expiration or termination of this Agreement. Any insurance is written on a claims-made basis shall remain in force for at least 3 years after expiration or termination of this Agreement.

8. Indemnity.

8.1 The District shall indemnify and hold harmless, and upon request, defend, the MCIU and its board members, officers, directors, employees, consultants,

attorneys, and agents (collectively referred to as “Indemnified Parties”) from and against all liabilities, losses, costs and expenses of every kind (including but not limited to reasonable attorney fees and costs of litigation) relating to any complaint, investigation, administrative proceeding, claim, suit, or action pertaining to the District, the Services provided by the MCIU under this Agreement, breach of this Agreement by the District, or alleged or actual breach of this Agreement by the MCIU. This indemnity duty shall apply without regard to any actual or alleged negligence of the MCIU, except this indemnity duty shall not apply in the event it is determined through a final court judgment that the MCIU (including its board members, officers, directors, employees and agents) has engaged in deliberate and willful violation of the law.

8.2 This indemnity duty shall survive the termination or expiration of this Agreement.

9. Release of Liability.

9.1 The MCIU will work diligently to fulfill the Scope of Services and to improve the District’s educational program and administration; however, the District acknowledges that the MCIU provides no guarantee of attainment of objectives or results relating to performance of the Scope of Services. In this regard, the District releases all of the Indemnified Parties, and any insurance company providing insurance to any of them, from any claim, suit, action, or liability, cost or expense of any kind relating to or arising out of any issue pertaining to the District, the Services provided by the MCIU under this Agreement, or alleged or actual breach of this Agreement by the MCIU. This release shall not apply in the event it is determined through a final court judgment that MCIU (including its board members, officers, directors, employers, and agents) has engaged in deliberate and willful violation of the law. Except in the case of such deliberate and willful violation of the law, the District’s exclusive remedy for the breach of this Agreement by the MCIU shall be termination for cause pursuant to Section 6.1.

9.2 This release shall survive the termination or expiration of this Agreement.

10. General Provisions.

10.1 Relationship of Parties. The District and the MCIU are independent contractors to each other under this Agreement. Nothing in this Agreement is intended nor is to be construed so as to constitute the parties as partners or participants in a joint venture with respect to this Agreement or any of the matters contemplated hereby. Neither of the parties hereto shall be construed to be an employee, representative, or agent of the other party and no party has any express or implied right or authority to make any representations or warranties or assume or create any obligations or responsibilities on behalf of or in the name of the other party to any entity or person. The MCIU has no authority hereunder to assume or create any obligation or responsibility, express or implied, on behalf or in name of the District or to bind the District in any way whatsoever. To the extent that the parties would be determined to be joint employers, the District agrees to indemnify, defend, and hold harmless the MCIU from and against any and all liabilities flowing from such status as a purported joint employer.

10.2 Expenses. Except as expressly stated in this Agreement, each party shall bear its own expenses incurred in performing of its obligations under this Agreement.

10.3 Assignment and Subcontracting. Neither this Agreement nor any interest herein may be assigned and/or subcontracted, in whole or in part, by either party without the prior written consent of the other. Nothing herein, however, shall prohibit or limit the right of the MCIU to use subcontracted staff to fulfill any of its staffing obligation under this Agreement without obtaining prior written consent from the District.

10.4 Dispute Resolution. All claims, disputes, and other matters arising out of, or related to, this Agreement, or any breach thereof, shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, unless the parties mutually agree otherwise. The arbitration panel shall consist of one arbitrator. The arbitration shall be conducted in Montgomery County, Pennsylvania, and the parties shall be entitled to pre-hearing discovery in accordance with the Federal Rules of Civil Procedure, including, but not limited to, production of documents, interrogatories, and sanctions for failure to comply with discovery requests. The response time to such discovery shall be 30 days after service, rather than the time allotted by the applicable Rules. The award rendered by the arbitrator may include injunctive relief and shall be final, and judgment may be entered upon it in accordance with the applicable law in any court having jurisdiction.

10.5 Severability. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement which shall be in full force and effect, enforceable in accordance with its terms.

10.6 Entire Agreement/Amendment. This Agreement shall constitute the entire agreement relating to the subject matter hereof between or among the parties. Each party acknowledges that no representation, inducement, promise, or agreement has been made, orally or otherwise, beyond the written terms of this Agreement.

10.7 Notice. Notice as required under this Agreement shall be in writing and may be sent by registered U.S. Mail and/or electronically by email, and shall be considered to be delivered upon actual receipt if by registered U.S. Mail and upon actual reading if by email, with the sender bearing the burden of establishing when such actual reading occurred. Notice to the MCIU shall be sent to the Executive Director and notice to the District shall be sent to the Receiver.

10.8 Waiver. The failure of any party to exercise any right or to demand the performance by the other party of duties required hereunder shall not constitute a waiver of any rights or obligations under this Agreement. A waiver by any party of a breach of any of the terms of this Agreement by any other party shall not be deemed a waiver of any subsequent breach of the terms of this Agreement.

10.9 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10.10 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event of any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

10.11 Modification of Agreement. This Agreement may not be modified, altered, or changed except upon express, written consent of both parties.

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The delivery of a facsimile signature or e-mail signature shall have the same force and effect as the delivery of an original signature.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MONTGOMERY COUNTY INTERMEDIATE UNIT

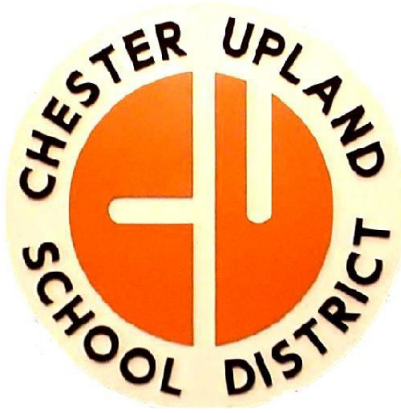
By: _____
Board President

Date: _____

CHESTER UPLAND SCHOOL DISTRICT

By: _____
Receiver, Dr. Juan R. Baughn

Date: _____



**CHESTER UPLAND SCHOOL DISTRICT
RECEIVER'S QUARTERLY UPDATE REPORT
FOR THE PERIOD Q2-2021**

**Dr. Juan Baughn, Receiver
June 22, 2021**

OUTLINE OF RECEIVER'S QUARTERLY UPDATE REPORT

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1. RECEIVER'S LEGAL COUNSEL

The Receiver has retained Jacquie L. Jones, Esq. as solicitor on behalf of the Receivership and the Chester Upland School District. Ms. Jones is responsible for handling issues arising from the Financial Recovery Plan, the RFP Process, and all other local matters related to the School District. Ms. Jones continues to be supported by Jeffrey T. Sultanic, Esq. and Fox Rothschild, LLP with Commonwealth Court matters, administrative appeals, labor negotiations, insurance claims, litigation, and bond refinancing and restructuring issues; Robert DiOrio and Donald Weiss for assessment appeals; and Sweet Stevens for special education matters.

2. CCIU TRANSITION OUT COMPLETED

In March 2021, the Receiver signed the Addendum to Administrative Services Agreement with the Chester County Intermediate Unit (the "CCIU"). According to the terms of the Addendum, the following services by the CCIU have transitioned back to the School District effective April 30:

- Business Office
- Information Technology and Child Accounting
- Human Resources

In addition, Federal Programs, Special Education and Pupil Personnel Services by the CCIU are scheduled to end June 30, 2021.

Effective July 1, 2021, the Receiver intends to contract with the Montgomery County Intermediate Unit (the "MCIU") to handle the areas that were previously staffed and managed by CCIU. MCIU has history of success (particularly in Harrisburg) that includes using their team cohesively with an appointed Receiver.

The structure that they are planning to implement includes bringing in new team leaders including a new Acting Superintendent and Directors who will all be supervised by the MCIU. However, unlike the previous relationship with the CCIU, the District will retain a number of its current employees specifically in HR, IT and Special Education. Additionally, the Receiver has had an active part of vetting, and hiring the lead personnel who will work in the CUSD supervised by the MCIU. The business office will continue to be staffed by the current vendor through July 30, 2021, after which time it will be supervised and managed by the MCIU.

The proposal and contract have been sent to the Pennsylvania Department of Education. PDE has reviewed the proposal and contract have not raised any objections at this time. The Receiver plans to ratify the MCIU contract at his June 29, 2021 meeting.

3. MARCUM LLP INTERIM BUSINESS OFFICE SERVICES

The Receiver has temporarily retained Marcum LLP for interim business office services for a target 60-90 day time frame. The Marcum team is led by Jewell Cornelius-Royer, CPA, a Marcum Director, who has managed the business office effectively. Ms. Cornelius-Royer has updated and managed the accounting

and finances, cash flow reports, budget to actual reporting for 2020-21, preparation of the 2021-22 final budget, preparation of documents and reconciliation reports to facilitate the June 30, 2020 independent audit, and communications and presentations to the Receiver, the Elected Board, and PDE. In addition, Marcum is assessing infrastructure and system needs and will prepare recommendations to the Receiver before completing the interim project.

4. POST-MARCUM LLP BUSINESS OFFICE SERVICES

After July 30, 2021, the MCIU will take over Business Office functions as outlined earlier in this report. Marcum will coordinate the completion of their services with the MCIU. CUSD intends to engage CloudScale 365 to handle Information Technology matters that need certain onsite and offsite support.

5. BOND REFINANCING AND POTENTIAL RESTRUCTURING

The School District is in the process of refinancing the 2011 Series A and Series C State Public School Building Authority School Revenue Bonds. The offering is for \$32M in tax exempt bonds and is expected to provide proceeds of \$2.5M that will be applied to the September 2021 bond payment. The refinancing is expected to close August 2021. In addition, the School District is considering a further restructuring of the bond debt to provide an additional \$3.3M cash flow benefit over the next five years.

6. RFP PROCESS FOR POTENTIAL OUTSOURCING OF SCHOOLS

The School District received three responses to the RFP. All three entities made presentations to the RFP Task Force and presentations to the public on May 6, 2021. There was a live audience as well as a virtual audience. Topics included: Academic Program Model; School Health and Safety Plan; Operating Model; Parental and Community Engagement; Financial Model; and "Must Haves."

The RFP Review Task Force has made recommendations to the Receiver and the Receiver is prepared to make recommendations to the Court. The Receiver intends to issue a Proposed Adjudication on or about June 30, 2021.

7. CYBER ATTACK

CUSD identified \$13,330,269.54 of funding from the Pennsylvania Department of Education that was fraudulently remitted to an unauthorized account at Chase Bank from January 21, 2021 through February 25, 2021. The funds remitted to the unauthorized account included grant money due to the School District, as well as funds for food and nutrition, vocational education, pupil transportation, non-public transportation, social security, and basic education.

In addition, the School District has a contract with E-Collect, LLC to collect delinquent real estate taxes for the School District. In December 2020, E-Collect processed a fraudulent bank change request form that resulted in \$528,537.04 being remitted to an unauthorized account at Chase bank. This was a different account at Chase Bank than the one used in the fraudulent transfer of funds from the Pennsylvania Department of Education.

The School District notified the Delaware County District Attorney, the PA Office of Attorney General, the School District's insurance carrier, the Pennsylvania Department of Education, and E-Collect regarding the fraudulent transfers. Most of the funds have been recovered and the School District expects to be made whole.

The PA Treasury Department recovered \$10,263,919.58 of the PDE diverted funds and remitted the recovered amounts to CUSD on April 2, 2021. This leaves a balance of PDE funds not yet recovered of \$3,066,349.96. PDE legal counsel, the PA Treasury Department, and the Governor's Office are assessing how the \$3.1M of unrecovered PDE funds will be resolved. PDE has since awarded CUSD a grant for \$1.5M which leaves the District with less than 1.6 M of unanticipated loss. E-Collect's legal counsel has denied liability on behalf of E-Collect's insurance carrier and CUSD legal counsel is evaluating options to recover the \$528K of diverted tax collections.

8. COOPERATION WITH THE OFFICE OF THE DELAWARE COUNTY DISTRICT ATTORNEY

CUSD'S legal counsel continues to cooperate with the ongoing criminal investigation by the Office of the Delaware County District Attorney in the Cyber Attack matter.

9. COOPERATION WITH THE PA OFFICE OF INSPECTOR GENERAL

CUSD'S legal counsel continues to cooperate with the ongoing investigation by the PA Office of Inspector General in the Cyber Attack matter.

10. ESSER FUNDS

The School District has been allocated CARES Act Funds through the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) that may be used to help alleviate the potential impact of the Pandemic. The Receiver is in the process of developing a plan on how best to use these funds and has identified a project manager to ensure that the plan is implemented effectively.

11. CURRENT FINANCIALS

As of June 11, 2021, the unaudited general fund statement of activities is summarized as follows:

Total Revenues	\$	136,672,396
Total Expenditures		135,269,858
Net Change in Fund Balance	\$	1,402,538

12. FINAL 2021-22 BUDGET

The Receiver has approved the final 2021-22 budget. The budgeted revenues, expenditures, and net change in assets are summarized as follows:

Total Revenues	\$136,390,330
Total Expenditures	<u>133,609,420</u>
Net Change in Fund Balance	<u>\$2,780,911</u>

13. LITIGATION MATTERS

School District Motion to Recover Improper Charges Inconsistent with the Settlement Agreement

The School District has determined Chester Community Charter School was billing the School District rates for students more than the amounts agreed to in the 2015 Settlement Agreement. From 2018-2019 to the present, Chester Community Charter School has billed and received \$6,914,253.80 in overpayments from the School District.

On February 25, 2021, the School District filed a Motion to Recover Improper Charges Inconsistent with the Settlement Agreement and to Enforce the Settlement Agreement in the Delaware County Court of Common Pleas, Docket No. CV-2012-009781.

Chester Community Charter School received payments more than the amounts agreed to in the Settlement Agreement in part by filing for intercept and redirect of the additional monies to Chester Community Charter School. In February 2021, the Pennsylvania Department of Education informed Chester Community Charter School that it would strictly comply with the agreed upon rates in the Settlement Agreement and would not intercept and redirect to Chester Community Charter School any funds more than the amounts agreed to in the Settlement Agreement. As a result, on March 8, 2021, Chester Community Charter School filed a Petition for Review with the Pennsylvania Department of Education requesting that a hearing officer be assigned to the matter and a hearing held on the amounts Chester Community Charter School contends it is due. A hearing has been scheduled for August 26, 2021.

Chester Community Charter School's Appeal to the Commonwealth Court

On June 8, 2021, CCCS filed a Praecipe to Discontinue its appeal of Judge Dozor's January 14, 2021 Order regarding changes to the RFP, without prejudice. CCCS stated in the Praecipe that it was filing the discontinuance because Justice Leavitt's order stated CCCS' claims would not be irreparably lost if appellate review is postponed.

Chester Upland School District v. Chester Community Charter School, Docket No. BBFM-00-2019-01

On April 22, 2021, PDE's Office of General Counsel issued a letter regarding the procedures and timelines that will apply to CCCS' request that a deduction be made by PDE from the District's February State payments in the amount of \$3,312,756.49 related to the 2019-2020 school year. The letter further states that PDE has initially determined this matter could be resolved through dispute resolution procedures. In addition, PDE will not appoint a hearing officer for this matter until one of the parties informs PDE that the parties have attempted to resolve the dispute through ADR and were unsuccessful or the parties will not engage in ADR to resolve the dispute with an explanation of why ADR won't be

attempted. On May 6, 2021 CCCS asked PDE the length of time the parties have to inform PDE regarding their positions on proceeding to ADR and PDE has not responded. The district does not believe this matter can be resolved through ADR because of the disagreement regarding the validity of the settlement agreement.

Chester Community Charter School v, PDE, Bureau of Budget and Fiscal Management, No. EDU-2021-SLAP-000009

On March 8, 2021, CCCS filed a Petition for Review of a Subordinate Officer with PDE's Bureau of Budget and Fiscal Management. CCCS requested a redirection of fees it contends the district owes it for the 2019-2020 pursuant to the rate calculation contained in the Charter School Law. On February 25, 2021, PDE denied the redirection because the rates submitted by CCCS were inconsistent with the settlement agreement entered into by the district, PDE and CCCS. CCCS contends the individual at PDE that denied the request did have the authority to deny the request. The Bureau of Budget and Fiscal Management filed a motion to dismiss with the assigned hearing officer, which CCCS opposed. We are awaiting the Hearing Officer's decision.

Property Tax Liability Matters

The School District has property tax litigation over exemption appeals with: Community Hospital/Convent – Chester City – 2015-2017 tax years; and CCMC – Upland Borough – Tax year 2016.

The School District has property tax litigation over valuation appeals with: CCMC Medical Campus – 2017-2019 tax years only; and North Campus – City 2018-2020 tax years only.

Former CUSD Employee Discrimination Claims

There are two recent discrimination claims against the School District, one by a former employee and one by a former employee from a temporary placement agency. Both claims have been referred to the District's solicitor and the insurance defense carrier. The claim by the employee of the temporary placement agency was settled for a nominal amount.

***UPDATE BY MR. SULTANIK OF PROPOSED DECLARATORY JUDGMENT SUIT BY PSEA**

14. JUNE 30, 2020 AUDIT STATUS

The Receiver has engaged Maillie,LLP to complete the June 30, 2020 and June 30, 2021 financial audits for \$70,000 per year. The auditors are anticipating a late-June 2021 start date for the 2020 audit and a 60-90 day turnaround period for completion. Marcum have designated individuals to facilitate a timely start and completion of the audit. The Fiscal year 2020 audit is expected to be completed in September with the Fiscal Year 2021 audit to begin immediately thereafter. We anticipate that both audits will be completed by the end of 2021.

15. ANNUAL FINANCIAL REPORT

The 2020 Annual Financial Report was filed timely and is in the process of being adjusted due to certain processing errors that occurred when it was initially submitted. Reportedly, the errors relate principally to the need to repopulate the Annual Financial Report with audited financial results when the June 30, 2020 audit is complete.

16. INTERNAL CONTROLS AUDIT

By letter dated August 7, 2020, the Pennsylvania Department of Education notified the School District that it requested that the Bureau of Audits, Office of the Budget, conduct an audit to include an evaluation of the internal controls put in place by CUSD.

The Pennsylvania Department of Education's Bureau of Audits completed its work. However, the Pennsylvania Department of Education has retained a CPA firm, Wessel & Company, to supplement the Bureau of Audit's work, specifically examining payments the School District made to charter schools and whether purchase orders are following the procurement process and internal procedures. The supplemental work is in process.

17. FINANCIAL RECOVERY PLAN

There are several aspects of the financial recovery plan in progress. A summary of key accomplishments are as follows:

- The business office has made progress in finalizing the June 30, 2019 audit, submitting the 2020 AFR timely, scheduling the June 30, 2020 audit, and preparing more timely financial information for review.
- The RFP process regarding the outsourcing/management/charterizing of the schools is complete, subject to the Receiver releasing his recommendations to the Court.
- The School District is completing the refinancing of its 2011 revenue bonds which is expected to provide proceeds of \$2.5M that will be applied to the September 2021 bond payment. In addition, the School District is considering a further restructuring of the bond debt to provide an additional \$3.3M cash flow benefit over the next five years.
- The School District is reviewing proposals for the outsourcing of its Information Technology department.
- The Finance section of the Plan will need to be updated at the appropriate time.
- The District is currently in negotiations with its 5 key unions with contracts scheduled to expire on June 30, 2021. Due to the substantial increase in healthcare costs, the District and Union representatives have been engaging in a joint management-staff task force to choose the appropriate healthcare plan consistent with the Recovery plan and negotiated contracts.

18. COOPERATION WITH PDE

The Receiver, CUSD's legal counsel, Receiver's strategic advisor (Jack Pund), and Marcum (Jewel Cornelius-Royer) continue to have ongoing discussions with PDE representatives regarding cash flow issues, claims for recoveries, facilities management, financial performance, ongoing investigations, outsourcing, reporting, and many issues on an ongoing basis.

19. CURRICULUM AND INSTRUCTION UPDATES

The following are updates for Curriculum and Instruction:

<p>CDT Growth Summaries Students have completed two Classroom Diagnostic Assessments. The assessment data includes student growth in reading and math for CUSA, Main Street, and Stetser Elementary Schools.</p>
<p>PreK Counts Enrollment PreK Enrollment has increased over the past month. Main Street and Stetser's PreK classes are filled. Only a few vacancies remain at CUSA.</p>
<p>Hybrid Teaching and Learning Students are attending school in-person each week as well as virtually on alternating days. The Curriculum & Instruction department has developed tools to accommodate the virtual teaching and learning needs of teachers and students. Every week CUSD teachers provide instruction to some students in-person while simultaneously instructing students virtually.</p>
<p>Teacher Induction Chester Upland School District recently concluded its New Teacher Induction Plan as per 22 Pa. Code §49.16(c). The program was conducted virtually for the 2020-2021 school year due to COVID-19 restrictions.</p>
<p>CUSD Summer Program Chester Upland School District will provide summer programming for all students.</p>
<p>Academic Night Chester Upland School District hosted a virtual Academic Night for students in grades PreK -12th on April 29, 2021, 5:30-7:30pm.</p>

The District will conduct a Hybrid Summer School Program for Rising Kindergarten students through 12th grades. K-8 programming will focus on Math, Arts, Reading, and Science (MARS). The MARS program will be in session from June 21 through July 29, 2021.

Students in grades 7-12 will have the opportunity to attend the Summer Academic Recovery Academy which will be in session from June 21 to July 28, 2021. It is designed to assist students who have failed one or more classes during the academic year.

Career and Technical Education will be provided for rising 11th and 12th graders who are interested in Cosmetology. The sessions will run Monday through Thursday through the summer.

Extended School Year offerings will be available for all students who require ESY as part of the Individualized Education Plan. That program will run from June 21 through July 29, 2021.

The District is working on its 2021-2022 return to learning plan. All staff members who were interested have had the opportunity to be vaccinated. Additionally, the District has partnered with other county school districts to provide vaccines to students. The Superintendent continues to meet with City officials to plan vaccine clinics throughout the summer. Accordingly, the team expects to have the final back to school plan ready to be presented to PDE by July 30, 2021.

During the 2021-2022, Chester Upland will offer in person learning options for students in PK-12. Families who want a virtual option will have the opportunity to attend the District's reimagined Design Thinking Digital Academy which expanded its offerings for students in grades 6-12.

The District is in part of a Networked Improvement Community(NIC) that is facilitated by Dr. Lewald and Anu Anad from Lancaster-Lebanon Intermediate Unit 13 to improve attendance. This program includes coaching and training opportunities to reduce truancy and improve attendance.

20. PROPOSED RECEIVER RESIGNATION TIMELINE

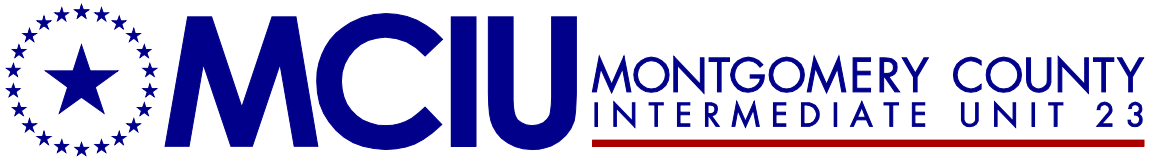
The Receiver's planned resignation date is August 31, 2021. The Receiver intends to work cooperatively with the Court to onboard a new Receiver, transition the MCIU team, and complete the litigation regarding the overpayment of funds to the Charter School.

Proposal by:
Montgomery County Intermediate Unit
2 West Lafayette Street
Norristown, PA 19401
(610) 755-9400 | www.mciu.org

JUNE
4
2021

ADMINISTRATIVE SERVICES PROPOSAL

FOR THE CHESTER UPLAND SCHOOL DISTRICT



**Montgomery County Intermediate Unit #23
Proposal**

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June 3, 2021

Chester-Upland School District
232 W. 9th Street
Chester, PA 19103

Dear Dr. Baughn,

Thank you for the time you took to review this opportunity with me earlier this week. As the authorized representative of the Montgomery County Intermediate Unit #23, I am honored to provide your agency with this proposal from the MCIU in response to your need for administrative services. This proposal is for a three-year agreement to provide management services to the District.

The MCIU provides numerous programs and services to public school districts, career and technical schools, nonpublic schools, early learning providers, and other organizations throughout the Commonwealth of Pennsylvania. In carrying out our responsibilities, the MCIU has earned the reputation of providing quality services to the entities we serve.

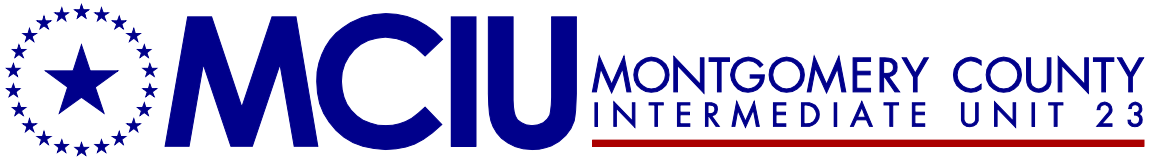
Our most recent reform work for the Harrisburg School District has been highly successful. For the first time in many years, the District now has a structurally balanced budget, positive public relations, and improving academic achievements. This proposal is expected to provide similar positive results for the Chester-Upland School District.

We thank you for your consideration of our proposal.

Sincerely,

Regina C. Speaker, Ed.D.

Dr. Regina C. Speaker
Executive Director



Montgomery County Intermediate Unit #23 Administrative Services Proposal

Common Understanding of Expectations

The MCIU is submitting this proposal to provide leadership and operational support to the Chester Upland School District. The MCIU team is excited to partner closely with the existing school staff, school board, and community at large in this endeavor.

Component #1: What does Success Look Like?

A critical component of this partnership is to identify what success looks like from the outset. Through discussions with the Receiver, the MCIU understands that success would mean:

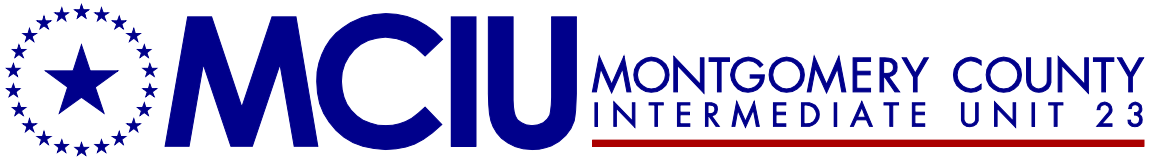
- Incremental increases in academic achievement
- Incremental increases in student and staff attendance
- A clear understanding of the District's financial status and multi-year budget planning
- Successful implementation of the District's Financial Recovery Plan

Component #2: What are the Operational Expectations of this Partnership?

In order to provide the community with a clear understanding of the logistics of this partnership, the MCIU provides the following as an initial set of action items/requirements:

- The MCIU will hire an MCIU-employed Acting Superintendent of Schools. Dr. Baughn will manage the exit strategy with the current Superintendent prior to MCIU's arrival.
- Both parties agree that in order for meaningful progress to be made on the identified goals from Component #1 above, this agreement must be for a minimum of three (3) years.
- The District will temporarily place a hold on hiring individuals or contracting with outside agencies until the MCIU has an opportunity to review and provide input into the actions.
- Both parties agree to utilize the initial six-month time period as a period of listening, understanding, and partnership development. As a result, monthly updates regarding the status of the District's Financial Recovery Plan items will be placed on hold during this time.

- While specific positions are included in this proposal, the MCIU is very interested in meeting with the incumbent staff members in most positions. Pending an initial review process, this proposal may be amended to remove proposed positions where existing District staff members may remain. Additionally, this proposal has been based on the MCIU's limited understanding of the current operations at the District and therefore, the MCIU may need to recommend other revisions to this proposal as the work begins. All recommendations will be fully discussed with the Receiver for final approval.
- The MCIU will manage the financial operations of the District from MCIU's administrative office facility in Norristown, PA. Additionally, the MCIU will account for the District's 2021-2022 (and beyond) finances via the e-finance accounting software package.
- The MCIU will attempt to partner with the Chester County IU to extend their support for the Special Education department for an additional ninety (90) days.
- The MCIU is submitting this proposal under the assumption that the existing staff, school board, and community members are committed to working in a fully collaborative manner with the MCIU on this work.



**Montgomery County Intermediate Unit #23
Administrative Services Proposal**

Organizational Data

Organization Overview

The Montgomery County Intermediate Unit (MCIU) is one of twenty-nine (29) educational service agencies created by the Pennsylvania State Legislature in 1971 with the goal of providing services and leadership according to the needs and wishes of the their constituent school districts. Since the initial mandate, the MCIU has expanded its services to over 200 services to the twenty-two (22) school districts, families and students in Montgomery County. The MCIU has approximately 600 employees with active contracts and partnerships with more than 100 agencies. The MCIU's 2021-2022 budget is approximately \$173 million dollars. More than 68% of the MCIU budget is received from state and federal sources, which is an indication of the organization's ability to effectively and efficiently administer a project of the size, complexity, and scope as the Chester-Upland School District.

The MCIU's federal tax identification number is 23-1738850. The MCIU's administrative office building is located at 2 West Lafayette Street, Norristown, PA 19401, however programs and services are offered throughout Montgomery County. The main office phone number for the MCIU is 610-755-9400 and the website address is www.mciu.org. A copy of the MCIU corporate organizational chart was included in at the end of this section.

The principal officer of the MCIU is Dr. Regina Speaker. Dr. Speaker serves as the MCIU's Executive Director. Her email address is rspeaker@mcIU.org.

The MCIU as a whole is committed to supporting the Chester-Upland School District initiative. The MCIU's Board of Directors, Executive Director, and leadership team are all poised to support this effort and will respond effectively to any resource needs that may arise. As an organization, the MCIU has a strong financial position (as evidenced by our audited financial statements), top notch technology supports, and experienced staff throughout the organization that will provide a strong backbone to support the Chester-Upland School District.

Financial Reports

As a significant component of this proposal relates to the financial and accounting services to be provided by the MCIU to the District. Therefore, we provide the following information regarding our recent MCIU financial outcomes.

The MCIU's financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of Maillie, LLP, Certified Public

Accountants and Business Counselors, Oaks, Pennsylvania, serves as the MCIU's auditor.

The MCIU's Audited Financial and Compliance Reports for the years ending June 30, 2018, June 30, 2019 and June 30, 2020 confirm MCIU's ability to manage programs like the Chester Upland School District.

- The Schedule of Expenditures of Federal Awards included in the report for the year ending June 30, 2018 demonstrated that MCIU managed thirty-one (31) different federal grants with expenditures totaling \$39,531,909.
- The Schedule of Expenditures of Federal Awards in the report for the year ending June 30, 2019 demonstrated MCIU managed thirty-five (35) different federal grants with expenditures totaling \$40,179,893.
- The Schedule of Expenditures of Federal Awards in the report for the year ending June 30, 2020 demonstrated MCIU managed thirty-nine (39) different federal grants with expenditures totaling \$40,223,340.

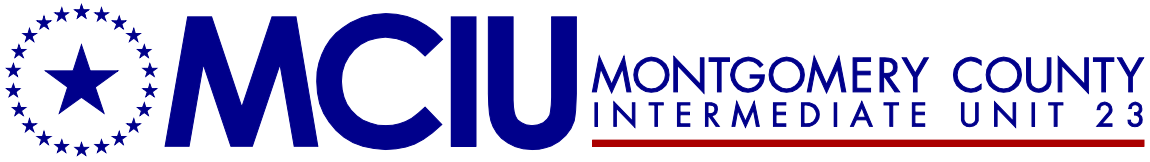
All three of these reports noted no federal award findings or questioned costs.

In addition to being audited by an independent auditing firm on an annual basis, MCIU is also audited by the Pennsylvania Department of the Auditor General. The Department of the Auditor General's office was onsite at the MCIU from May 2019 to August 2019 to complete the audit for the years 2014-15 thru 2017-18. The report has been issued for this audit and no findings or questioned costs were reported.

Equal Employment Opportunity & Nondiscrimination

In accordance with the existing state laws, federal laws, and MCIU Board policy, the MCIU employs qualified personnel for all positions without regard to race, color, age, creed, religion, sex, sexual orientation, ancestry, national origin, pregnancy, or handicap/disability. Selection of candidates for positions is made upon the basis of demonstrated capability, competence and appropriate experience.

The MCIU does not discriminate on the basis of race, religious creed, national origin, sex, disability, or age in its educational programs, activities or employment as required by Title VI, Title IX, Section 504, the Americans with Disabilities Act (ADA) and its amendments, and the Pennsylvania Human Relations Act.



**Montgomery County Intermediate Unit #23
Administrative Services Proposal**

Experience of the Organization

MCIU has a demonstrated track record of collaborating and partnering with school districts and public and private agencies in providing services throughout the entire Commonwealth of Pennsylvania.

Most recently (June 2019), the MCIU was awarded a three-year contract to provide the financial management, educational leadership, and human resources function of the Harrisburg Area School District (Dauphin County, PA). Even though this District is well outside of the MCIU's physical boundaries, the PA Department of Education and the District's Court-Approved Receiver recognized the MCIU's extraordinary ability to manage programs of this size and scope. In just two years, the MCIU has surmounted significant issues within the District and produced a pre-COVID structurally balanced budget, negotiated an agreement with the Harrisburg Education Association and established countless financial and operational procedures and processes. (Dr. Janet Samuels, Receiver, 1601 State Street, Harrisburg, PA, Phone: 215-870-7097).

Prior to the work with the Harrisburg School District, MCIU employees (via prior employers) provided similar reform work with the Reading School District (Berks County, PA). Through the efforts of the team, the Reading School District was able to avoid Receivership and develop a strong financial position.

Additional examples of the MCIU's successful track record of administering programs and services include:

- In May of 2021, the MCIU was awarded a \$26+ Million grant to provide sixty-seven (67) area non-public schools with emergency assistance programs and services. (Ms. Susan McCrone, PA Department of Education, 333 Market Street, Harrisburg, PA, Phone: 717-783-6910)
- In April of 2020, the MCIU was awarded a \$3.7 Million agreement with the PA Department of Education to collaborate with Intermediate Units and School Districts throughout the Commonwealth in support of distance learning programming due to COVID-19. This agreement demonstrates the PA Department of Education's trust in the quality services that MCIU provides. (Mr. Matt Stem, PA Department of Education, 333 Market Street, Harrisburg, PA, Phone: 717-783-6788)
- The MCIU has served as the fiscal agent for the Pennsylvania Training and Technical Assistance Network (PaTTAN-East) for more than thirty (30) years. As

part of this program, the MCIU manages the processing of grants and awards for the various initiatives led by the PaTTAN-East office. (Mr. Del Hart, PA Department of Education, 333 Market Street, Harrisburg, PA, Phone: 717-772-1114)

- The MCIU's proven leadership in budget management enables the MCIU to provide trust management support to the Southeastern Pennsylvania Schools Trust (SEPaST). This self-insured healthcare trust has assets in excess of \$60 Million and annual revenues/expenditures in excess of \$130 Million. The MCIU's Office of Business Services manages these funds on behalf of the seventeen (17) Trust members. Ms. Sandra Edling, Director of Business Services, serves as the Trust Manager for this initiative. (Mr. David Nestor, President/SEPaST Board of Trustees, c/o Pottsgrove School District, 1301 Kauffman Road, Pottstown, PA, Phone: 610-327-2277)
- The MCIU has participated in the School Based ACCESS program since its inception in Pennsylvania. As one of the original participants, the MCIU has more than twenty (20) years of experience in processing Medicaid claims for school based health related services. The MCIU has a team of four (4) individuals who process these claims for the MCIU programs, as well as, twelve (12) county school districts. (Mr. Brian Pawlings, Souderton School District, 760 Lower Road Souderton, PA, Phone: 215-723-6061)
- The MCIU manages a budget of approximately \$11 Million to provide Act 89 remedial reading and math support and standardized achievement testing support to 8,752 students, speech and language services to 3,354 students, school counseling to 8,035 students, psychological services to 346 students, and numerous summer camp opportunities in nonpublic schools in Montgomery County. This program is funded by the PA Department of Education. (Ms. Tina Weaver, PA Department of Education, 333 Market Street, Harrisburg, PA, Phone: 717-783-9298)
- The MCIU serves as the fiscal agent for the 22 Montgomery County LEAs for IDEA/Section 611 Component 1 (Early Intervention); Component 2 (Training and Consultation), and Component 3 (Supplementary Aides and Services) through federal funding provided by the PA Department of Education. This program provides more than \$22 Million annually to the MCIU and its districts, of which approximately \$19 Million is pass-thru dollars managed by the MCIU. Ms. Sandra Edling, Director of Business Services, has overseen this program since 1999. (Mr. Del Hart, PA Department of Education, 333 Market Street, Harrisburg, PA, Phone: 717-772-1114)
- The MCIU was first awarded an agreement to operate the Preschool Early Intervention program in 1991. Through this program the MCIU evaluates, determines eligibility, provides ongoing case management, and delivers services to children with disabilities aged 3-5 living in one of the twenty-two (22)

Montgomery County School Districts. The current funding for this program exceeds \$22 Million and serves more than 3,000 children. Dr. Holly Acosta, Director of Early Learning, oversees this program for the MCIU. (Mr. Lisa Parker, Office of Child Development and Early Learning, 333 Market St, Harrisburg, PA, Phone: 717-783-7213)

- The MCIU was selected to administer Pre-K Counts programming for 100 students with the Norristown School District beginning in February 2016 and was awarded a Pre-K Count Expansion Grant for 40 students with the North Penn and Pottsgrove School Districts beginning in September 2017. The MCIU follows strict guidelines to determine income eligibility for this program and provides quality early learning programming to the students. Dr. Holly Acosta, Director of Early Learning, oversees this program for the MCIU. (Mr. Lisa Parker, Pennsylvania Office of Child Development & Early Learning, 333 Market Street, Harrisburg, PA, Phone: 717-783-7213)
- The MCIU is a recognized leader in providing educational services to children as demonstrated by our selection to administer the federal Head Start program throughout Montgomery County beginning with the 2015-2016 school year. (Ms. Lori Hobaugh, US Department of Health & Human Services, Administration of Children & Families, 150 S. Independence Mall West, Suite 864, Philadelphia, PA, Phone: 215-861-4036)
- The MCIU has extensive experience providing School to Work/Workforce Development Services for high school students with disabilities including career assessments, community based work experiences, career preparatory classes at two Montgomery County Career and Technology Centers, and an opportunity to experience independent living in an apartment setting. Over the past seven (7) years, the MCIU has completed over 1,500 career assessments, placed over 1,400 students in community based worksites, and supported over 100 students in Career Preparatory classes. All of these supports include counseling and referral supports and services delivered by the MCIU. (Various School Districts throughout Montgomery County)
- The MCIU has a six (6) person data quality team who manage the large PIMS data collections for the public school districts in Montgomery County. Team members provide statewide leadership in the area of data collection and reporting and are experts in the usage of data for program, performance and fiscal decision making. The MCIU data support team will support the efforts of the ELRC, as needed. (All Montgomery County School Districts)
- The MCIU has a team of twenty-three (23) staff members who provide professional learning assistance to local school districts, non-public schools, charter schools and early learning providers. Training and support is made available for those serving children in all environments. Educators and instructional leaders have access to professional learning in the areas of:

Literacy, Mathematics, STEM Education, and Instructional Technology, as well as inclusive practices, behavior supports, and other areas that support those serving children with disabilities. MCIU also offers consultation and instructional coaching services to its clients. The majority of this team, along with other IU staff members are Pennsylvania Quality Assurance System (PQAS) approved Professional Development instructors. (All Montgomery County School Districts & Early Learning Providers)

- The MCIU coordinates a county-wide consortium for federal Title III services for limited English language learners. Through this consortium, schools are provided with language supports, as well as, professional development training to support students with limited English ability. (All Montgomery County School Districts)
- The MCIU operates the Montgomery Virtual Program (MVP) to support Pennsylvania school districts with access to K-12 virtual learning courses, content, and instructional services. Each year, MVP maintains a comprehensive virtual learning catalog consisting of hundreds of courses and facilitates thousands of virtual learning enrollments in a variety of program-types, including: full-time, part-time, credit recovery, course advancement, summer school, homebound, AP, and dual enrollment. MVP's versatile model affords partner districts the opportunity to build a virtual learning program that supports each district's unique vision and goals. (Ms. Christine Zibairu, Vice-Principal, Cheltenham High School, 2000 Ashbourne Road, Elkins Park, PA 19027, Phone: 215-517-3706)
- The MCIU's extraordinary growth in recent years has resulted in a large hiring initiative. The MCIU's Office of Human Resources includes a strong leadership team with significant relative experience in employee recruitment, on-boarding, and training. The Human Resources team also provides leadership to the County School Districts in areas such as the coordination of an annual Diversity Recruitment Fair. (All Montgomery County School Districts)
- The MCIU is recognized by our local school districts as a 'go to' resource for personnel needs. An example of this is in the area of technology services. The Office of Technology not only supplies the MCIU's internal network and technology support, but also provides technology support personnel to local school districts and nonpublic schools. (Mr. Stephen Rodriquez, Superintendent/Pottstown School District, 230 Beech St, Pottstown, PA, Phone: 610-323-8200)

Summary

As evidenced by the information above, the MCIU possess the prior experience, corporate commitment and overall capacity to provide the operational leadership and financial management of the Chester-Upland School District.



**Montgomery County Intermediate Unit #23
Administrative Services Proposal**

Organizational Capacity

The MCIU is well qualified, based on its organizational experience and resources, to manage, monitor, and deliver the comprehensive services needed to provide the financial and operational oversight for the Chester-Upland School District. MCIU has extensive experience in program development, operations and leadership.

The MCIU has identified the following Key Personnel positions for the Chester Upland School District.

Key Personnel – Superintendent of Schools (1.00 FTE, 35 hrs/wk) – TBD

This individual will provide leadership and vision in the establishment and implementation of the District’s organizational mission, goals, and strategic plans.

The Superintendent of Schools will be supported by the MCIU’s Executive Director. As the executive director of the MCIU, Dr. Regina C. Speaker oversees the entire operation of the intermediate unit and represents the agency to the public, school district partners, clients, and professional and community organizations.

Dr. Regina Clare Speaker has served in various capacities during her career, including as a classroom teacher, school district administrator, intermediate unit administrator, assistant superintendent, and superintendent. Prior to Dr. Speaker’s role as the Executive Director of the MCIU, she was the superintendent for the Great Valley School District and Special Assistant to the Pennsylvania Secretary of Education. Dr. Speaker holds certification in areas of Elementary Education, Special Education, Reading Specialist, Elementary Principal, Secondary Principal, Supervisor of Special Education, Intermediate Unit Executive Director, and Superintendent, as well as certification in Applied Behavioral Analysis (ABA).

She began her career as a high school science teacher in the Shenandoah Valley School District in 1986 and has expansive classroom experience at various grade levels in both regular and special education settings. In addition, Dr. Speaker is an experienced educator of adult learners in diverse settings. Dr. Speaker has presented locally and nationally on educational topics, including leadership, data-informed decision making, motivation, classroom management

Key Personnel – Director of Educational Turnaround (0.50 FTE, 17.50 hrs/wk) – TBD.

This individual will support the Superintendent of Schools in overseeing all operations and the implementation of the financial recovery plan.

Key Personnel – Chief Academic Officer (1.00 FTE, 35 hrs/wk) – TBD

The MCIU will employ a Chief Academic Officer dedicated solely to the Chester-Upland School District.

This individual will be supported by individuals in the MCIU's Office of Professional Learning and Office of Student Services.

Dr. Brittany Lourea-Waddell, who began her tenure with the MCIU in 2006, serves as the Director of Student Services. Before becoming the Director, she served as a school psychologist and in 2015 she became the Assistant Director of Mental Health. Dr. Lourea-Waddell has been the Director of Student Services since 2018. Dr. Lourea-Waddell received both her Ph.D. in School Psychology and Master of Education in School Psychology from Temple University and her Bachelor of Science in Psychology and Interdisciplinary Studies from the University of Pittsburgh Honors College. Dr. Lourea-Waddell will also lead the team providing the comprehensive audit for the special education department.

As the Director of the Office of Professional Learning, Dr. Donna Gaffney provides a vision of teaching and learning that is grounded in the capacity building of educators and success of all students. Dr. Gaffney has over 25 years of experience as an educator in Montgomery, Bucks and Delaware County Schools. She received her Masters of Education at Widener University and Bachelors of Arts degree from Immaculata University. After teaching Mathematics for many years Dr. Gaffney served as Project Associate in the Office of Professional Learning at MCIU and then as Supervisor of Curriculum and Coordinator of Professional Development in Colonial School District. Dr. Gaffney returned to the IU as Director in 2013 and received her Doctorate in School Systems Leadership in 2015. Her knowledge and expertise in the areas of educational leadership, professional development, and instructional coaching foster a culture of collaboration and continuous growth both within and beyond the organization.

Key Personnel – Director of Accountability (1.00 FTE, 35 hrs/wk) – TBD

The MCIU will employ a Director of Accountability dedicated solely to the Chester-Upland School District.

The MCIU has extensive organizational supports in both federal programs and data reporting. The MCIU will utilize the strong supports of the organization to support this proposal for the Chester-Upland School District. Dr. Michael Webb serves as the MCIU's Assistant Director in the Office of Professional Learning. In this capacity, he serves as the Federal Programs Coordinator for MCIU, liaising with the Pennsylvania Department of Education, Montgomery County's twenty-two (22) member school districts and over 100 non-public schools. Dr. Webb holds a Master's degree in Curriculum and Instruction from Penn State University and a doctorate in Educational Leadership and Management from Drexel University.

Key Personnel – Director of Business Services (1.00 FTE, 35 hrs/wk) – TBD. The MCIU will employ a Director/Business Services dedicated solely to the Chester-Upland School District.

This individual will be supported by the entire Business Office of the MCIU. Sandra M. Edling serves as the Director of Business Services and Chief Financial Officers (CFO) for the Montgomery County Intermediate Unit. Ms. Edling has been an employee of the MCIU since May of 1996. In December of 2005, Ms. Edling became the Assistant Director of Business Services and she became the CFO/Director in July of 2019. Ms. Edling also serves as the Trust Manager for the Southeastern PA Schools Trust, a self-insured healthcare Trust serving school entities in Montgomery County, PA. Ms. Edling has a Bachelor's of Science Degree in Accounting and a Masters of Business Administration (MBA) from the Pennsylvania State University. In addition, Ms. Edling holds the credential as a Pennsylvania Registered School Business Administrator (PRSBA).

Key Personnel – Director of Technology (1.00 FTE, 35 hrs/wk) – TBD

The MCIU will employ a Director of Technology who will lead the District's technology initiatives.

This individual will be supported by the MCIU's Technology Office. Ms. Gail Kennedy has been the Director of the Office of Technology since 2007. She directs the daily operations, management, and supervision of the 16-person team and is directly responsible for the \$4.5 million operating budget. The District will benefit from the information and technology experience of the entire Office of Technology team.

Key Personnel – Director of Facilities (0.80 FTE, 28 hrs/wk) – TBD

The MCIU will employ Director/Operations who will work with the District's facilities personnel.

This proposal also encompasses the areas of Food Service, Information Technology, and Pupil Transportation. The MCIU will utilize the internal leadership of the MCIU from each of these functional areas to support the work of this position.

Other MCIU Personnel Supports

The MCIU is a large, multi-faceted organization that possesses many levels of administrative, programmatic, and financial supports that are available to assist the work of the Chester-Upland School District operations. A sampling of these personnel resources is listed below:

- The Office of the Assistant Executive Director – Dr. Bradley C. Landis serves as Assistant Executive Director of the Montgomery County Intermediate Unit. He came to the MCIU in October 2012, after serving as Superintendent of Schools for the Pottsgrove School District for six years. His experience also includes employment at the School District of Springfield Township as an Elementary Principal and later, Director of Technology. Dr. Landis implemented a district-

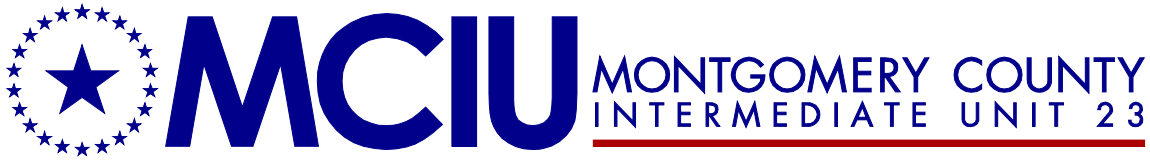
wide full day kindergarten program during his tenure in Springfield Township School District. He also served five years as Chairman of the Board of Directors for the Salford Child Care Center, located in Harleysville, Pennsylvania. Dr. Landis earned a Bachelor of Science degree in elementary and special education from Gwynedd-Mercy College, a master of education degree and a doctor of education degree in educational leadership from Lehigh University. Dr. Landis holds a K-12 Principal's Certification and a Superintendent's Letter of Eligibility.

- Office of Human Resources – The Human Resources Office of the MCIU is dedicated to the hiring and retaining of high quality staff to support the needs of students throughout Montgomery County. The Office Director, Jack Hurd, brings over 25 years of HR experience, including the past 18 years working in the Education field. The Assistant Director, Ms. Hannah Messner, also brings over 13 years of HR experience, including the past 5 years working in the Education field. With the leadership of these two experienced HR professionals, the MCIU is very well equipped to support the District operations.
- Office of Community and Government Relations – Valentina Viletto, Esq., serves as the Director of Community and Government Relations for the MCIU. She came to the MCIU in January 2012, after serving in private practice as an attorney and accountant, particularly focused on nonprofit agencies. The Office of Community and Government Relations informs school administrators and boards about proposed legislation, regulations and related issues that impact education and provides resources to support public school districts and intermediate units in their advocacy efforts. The Office meets regularly with legislators and coordinates meetings between policy makers and school leaders. Ms. Viletto is the MCIU School Safety and Security Coordinator and her team supports all MCIU offices and Montgomery County school districts to ensure that they have training, information and resources necessary for school safety. The Office is also responsible for identifying education grants and provides support to the MCIU Education Foundation.

Ms. Viletto served eight years (2005-2013) as an elected school board member for the School District of Cheltenham Township served as board president for six of those years. She facilitates school board professional development sessions, using her experience as an administrator and her service as a school board member/board president. She has been a presenter at numerous state and national conferences on topics including Governance, Leadership, Advocacy, School Safety, and Human Resources Compliance. She is the 2018 recipient of the Pennsylvania Association of Intermediate Units' Dr. Gary L. Miller Memorial Distinguished Service Award, the 2018 recipient of the Education Policy Leadership Center's Leadership Program Alumni Award and the 2013 recipient of the PSBA's Timothy M. Allwein Advocacy Award. A former trial attorney for the U.S. Department of Justice, Civil Tax Division, she earned her Juris Doctor at the American University, Washington College of Law and Bachelor of Science degree in Accountancy at Villanova University.

Summary

This roster of experienced and highly credentialed professionals staffing the MCIU organization is a clear indication of the MCIU's ability to provide fiscal and programmatic oversight to the Chester-Upland School District in an effective, efficient, and successful manner.



**Montgomery County Intermediate Unit #23
Administrative Services Proposal**

Work Plan

The Montgomery County Intermediate Unit has extensive experience and proven results in the work required to turn around the Chester-Upland School District. The MCIU firmly believes that the only way to truly achieve the required financial and academic results required of the District is to transform the entire infrastructure. While the MCIU is confident that the District will see meaningful change in one year, this transformation cannot be completed in a single year. The MCIU projects that a minimum of three (3) years will be required. Therefore, the following work plan details the MCIU's proposal for this complete work over a period of three (3) years.

Additionally, the MCIU has made the assumption that all existing staff members, school board members, and community members at the District are committed to working in a fully collaborative manner with the MCIU on this work. We are confident that as a cohesive team the long awaited improvements for the District will be achieved.

The MCIU proposes to provide a comprehensive administrative services team to meet the operational needs of the District. The MCIU is prepared to provide a full array of supports and services to the District.

The following information will provide the key components of the work to be completed.

Administrative Services Team

For more than forty-six (46) years, the MCIU has proven quality leadership in serving our community by providing educational service opportunities to children and families. The MCIU understands the tremendous challenges facing the District and is interested in supporting the Chester-Upland School District with high quality leadership support through this proposal.

The MCIU proposes to provide a 1.00 FTE Acting Superintendent of Schools and a 0.50 FTE support from MCIU's Director of Educational turnaround to the District. These individuals will provide the oversight and support for the work outlined in this proposal. An additional part-time outside consultant has been included in this proposal to support the establishment of charter school billing procedures, reporting for charter schools, and other related charter school matters.

This team will oversee the many operational departments and initiatives that are part of the request for proposal, including but not limited to the following:

Charter School Expense/Reporting

- The MCIU will work with an outside consultant to review reporting for compliance and develop procedures and protocols for invoice review and payment.
- The MCIU will, if necessary, revise financial reports to ensure properly submitted expenditures.
- The MCIU will investigate and determine what options may exist to address the looming charter school settlement arrangement for the District.

Contract Review/Management

- The MCIU will review all agreements with outside agencies for cost effectiveness and service efficiency, such as food service, transportation, etc.
- The MCIU will develop standard agreement language to ensure the District is appropriately protected by the agreements.

Marketing/Recruitment Efforts

- The MCIU will support the District's recruitment efforts through its participation in community events.
- The MCIU will promote the District's schools in a positive manner.

Operational Leadership

- The MCIU will provide the daily operational leadership of the District.

Relationship Building

- The MCIU will attend community events, participate in community/District activities, and build relationships with community organizations.
- The MCIU will, where possible, develop partnerships with a variety of community organizations for the betterment of the District.

Strategic Planning

- The MCIU will lead the efforts for strategic planning for the District.
- The MCIU will collaborate with stakeholders to determine and implement community initiatives.

Transparency/Board Docs

- The MCIU proposes to expand the District's usage of the Board Docs platform to include the full agenda preparation module for full Board/Receiver meeting transparency.
- The MCIU will ensure all required contract documents, action items, and reports are uploaded into Board Docs by 12noon on the Tuesday preceding the Board/Receiver meeting.
- The MCIU will review current Board policies and make recommendations to the Receiver for updating policies, as necessary.

Office of Academics

The overarching philosophy of the MCIU's Office of Academics is to provide responsive, cost-effective and value-added programs and services to schools and students, aged Pre-K to 24 through a variety of state and local partnerships. The staff employed by the MCIU work directly on-site with the District staff members to support students. The MCIU's positive reputation for providing high quality services has led a growing number of organizations to look to the MCIU for program delivery, program evaluation services, and program leadership and design services.

The MCIU proposes to provide the leadership and support for the Office of Academics for the District. The MCIU understands that the District may have a candidate for the Director of Special Education, therefore this position is not included in this proposal. The proposal includes the following staff members:

- Chief Academic Officer – 1.00 FTE
- Program Administrator – Academics – 2.00 FTE
- Program Administrator – Elementary – 1.00 FTE
- Program Administrator – Secondary – 1.00 FTE
- Program Administrator - Other – 1.00 FTE
- Administrative Assistant – 2.00 FTE

It is the MCIU's understanding that the District current employs two (2) FTE school psychologists and contracts for an additional two (2) FTE school psychologists with an outside agency.

The MCIU will initially utilize the existing professional staff members in other positions, but reserves the right to recommend changes as the project progresses.

Compliance Initiatives

- The MCIU will work with the PIMS staff members to ensure that the required data is gathered in the reporting system.
- The MCIU will participate in and provide leadership for IEP (Individualized Education Plan) meetings.
- The MCIU will review paperwork and provide professional development to staff members regarding proper compliance requirements.
- The MCIU will work with the District staff members to ensure timely submission of all paperwork, including IEP documents, evaluations, and ACCESS paperwork.

Extended School Year & Enrichment Programming

- The MCIU will coordinate a high quality extended school year program.
- The MCIU will coordinate the efforts to provide high quality summer and after school enrichment programming.

Leadership and Development

- The MCIU will supervise the academic programs throughout the District.
- The MCIU will hold weekly meetings with Building Principals and other key administrative staff members to provide continuous integration of special education programming throughout the District.
- The MCIU will provide a program of staff development to support the career growth for District personnel.
- The MCIU will prepare and implement the District's PDE required Special Education plan.

Out-of-District Placements & Other Contracted Related Services Supports

- The MCIU will manage all out of district educational placements.
- The MCIU will negotiate contracts for therapies, placements, and other support services in the best interests of the District.

Student Achievement

- The MCIU will monitor achievement results for all students.
- The MCIU will make programmatic adjustments to address areas of deficiency to ensure that all students can make meaningful progress.

Transition Services

- The MCIU will develop and provide a multi-faceted school to work program for the District.
- The MCIU will develop partnerships with local businesses and other organizations to provide real-world job training experiences for District students.

Virtual Learning Programming

- The MCIU will assess the District's current virtual learning programming.
- The MCIU will make recommendations and program adjustments to enhance the student achievement as a result of the virtual learning programming.

Office of Accountability

The MCIU annually manages federal programs totally more than \$38-\$40 Million dollars with no single audit findings for at least the last twenty (20) years. The MCIU currently leads countywide efforts for federal programs planning and support and will leverage this expertise to provide high quality federal programs management of the Chester-Upland School District federal programs.

The MCIU's assigned Director for Accountability for the District will oversee the federal programs compliance. This individual will be supported by a 1.00 FTE grants accountant to prepare and manage the grant applications, budgets, and quarterly/financial reporting associated with the federal programs of the District. These individuals will work collaboratively with District personnel to lead the compliance management efforts for the District in regards to the federal programs.

Additionally, the MCIU proposes to move the Child Accounting and Student Registration functions into this Office. It has been MCIU's experience that folding these two distinct functions together will provide for a greater level of oversight of the District's data for all necessary reporting purposes.

The MCIU has a strong statewide reputation for its leadership in the area of data collection and reporting, including leading many of the programmatic aspects of the Annual PDE (PA Department of Education) Data Summit. The MCIU's six (6) person data quality team manages the large student data collections for the public school districts in Montgomery County and are experts in the usage of data for program, performance, and fiscal decision making. This existing team will support the work of the District to provide quality data collection and reporting.

The MCIU proposes to assign a 1.00 FTE Student Registration Coordinator and a 1.00 FTE Student Registration Secretary to perform the daily student registration activities for the District. The proposed budget also includes the utilization of an additional 2.00 FTE contracted clerical support positions for an approximate ten (10) week period at the beginning of each school year.

The MCIU also proposes to assign 2.00 FTE Child Accounting Accountants to the child accounting/PIMS functions for the District.

Building Level Programming and Design for Federal Programs

- The MCIU will work with the building level teams at each District building to design, plan, and implement federal programs.
- The MCIU will coordinate with District staff to ensure compliance with district, state, and federal plans, policies, and procedures as they relate to federal programs.
- The MCIU provide training as needed to ensure building level teams are aware of the requirements regarding federal programming.

Child Accounting/PIMS Support

- The MCIU will complete data entry/data maintenance, process development, documentation and data correction for the District's student information system and PIMS.
- The MCIU will prepare and submit all required PIMS reports according to the established timeline. Serve as point of contact for all PIMS reporting and audit needs.
- The MCIU will audit Charter school and outside placement invoices for residency, accuracy, and financial details.
- The MCIU will prepare and track invoices with charges for non-resident and homeless students.
- The MCIU will document all non-resident (foster and homeless) students in the District, including verification of home district and collect the 1302 and 1305 placement forms.
- The MCIU will serve as Security Administrator for the District for PDE applications.
- The MCIU will submit SPP (School Performance Profile) data through PIMS.

- The MCIU will provide regular reporting to internal District administrators for use in decision making.
- The MCIU will conduct data quality checks to ensure data integrity.

Family Engagement

- The MCIU will support the building level teams in effectively providing opportunities for families to actively engage in the District's programming.
- The MCIU will hold monthly meetings with the District's Family Engagement workers to ensure all buildings are meeting required engagement goals, as well as, to build capacity.

Grant Reporting

- In conjunction with the program administrators, the MCIU will prepare the necessary financial reporting for all grant programs.
- The MCIU will lead the development of budget documents (in consultation with program administrators) for grant programs.
- The MCIU will coordinate the required time and effort documentation for grant programs.

Non-public Collaboration

- The MCIU will Liaison with non-public schools to ensure the District meets state and federal guidelines as they relate to federal funding for non-public schools.

Student Registration & Enrollment

- The MCIU will serve as primary contacts in the Registration office for all student enrollment (K-12).
- The MCIU will gather all required paperwork, records requests, and communicate essential information to the appropriate District departments.
- The MCIU coordinate the on-line kindergarten enrollment system and communicate enrollment opportunity in a variety of modalities.
- The MCIU will track and maintain the movement of students who are incoming, outgoing, and within the District.
- The MCIU will obtain attendance reports from buildings and ensure data is entered into the student information system in an accurate manner.
- The MCIU will fulfill transfer requests and student enrollment confirmation

Training Support

- The MCIU will provide training and support to District personnel regarding the required data collections, procedures, etc.
- The MCIU will provide written procedures manuals for the registration and child accounting departments.

Office of Business Services

The MCIU proposes to provide the majority of the accounting and financial services offsite at the MCIU's main office location. The MCIU's Office of Business Services has the capacity, experience, and blemish-free reputation to provide all of the business services needed to support the Chester-Upland School District. The MCIU has a comprehensive financial and accounting structure that focuses on segregation of duties and a set of strong internal controls. Utilizing this model will permit the MCIU to leverage the extensive background and expertise of our current staff to support the Chester-Upland School District. A detailed MCIU contact listing for payroll, accounts payable, accounting, etc. questions will be provided for distribution to District staff to ensure ease of communication amongst the teams.

The MCIU will provide a 1.00 FTE Director to be the single point of contact for Business Services for the District. This individual will provide the ongoing collaboration and communication with the Superintendent and Receiver regarding the financial status of the District. This individual will provide on-site support and collaboration as needed. The MCIU's Chief Financial Officer/Director of Business Services will support this individual and will provide a higher level of support during the implementation phase of this work plan.

The MCIU will assign a 1.00 FTE Grants/Revenue Development Coordinator, a 1.00 FTE Payroll Coordinator, a 1.00 FTE General Ledger Accountant, a 0.40 FTE Accounts Payable Specialist and a 0.40 FTE Accounts Receivable Specialist to support the work of the accounting & financial functions.

The MCIU will provide the following financial/accounting services to the District.

Accounts Payable Services

- The MCIU will audit purchase orders for accuracy by checking extensions, programmatic approvals, budget coding, vendor identification, etc.
- The MCIU will match invoice detail to purchase order detail and prepare batches for entry and enter into the financial accounting software program.
- The MCIU will prepare and run the accounts payable check runs.
- The MCIU will review, investigate, and resolve open invoices on vendor statements and handle phone calls from vendors regarding payment inquiries.
- The MCIU will gather W-9 documentation for vendors of the District.
- The MCIU will prepare the end of year IRS-1099 forms and file appropriate details with the Internal Revenue Service.

Annual Audit

- MCIU will prepare year end accounting entries for the 2019-2020 fiscal year within 60 days of contract approval, this will include final account code analysis, posting of accruals, and other required year-end entries.
- The MCIU will develop the necessary work papers for the local audit to be held in October 2020.

- MCIU will provide ongoing single point of contact support for the District's local auditing firm and will provide on-site support during the annual on-site visit by the auditing firm.
- The MCIU assumes that the current auditing firm will continue to prepare the annual financial statements for the organization. The MCIU will provide supportive information as necessary to complete this task.
- The MCIU will also complete a Request for Proposal for auditing services for fiscal year 2020-2021 and onward and will provide a recommendation regarding local auditing services to the Receiver by January 31, 2021.
- The MCIU will provide the same support noted above to state and/or other governmental auditing teams.

Annual Budget

- The MCIU will work with the District team and the Receiver to assemble and prepare the annual budget for the District.
- The MCIU will produce the necessary budgetary analysis to provide the District with a thorough understanding of the District's financial situation.

Annual Financial Report (AFR)

- The MCIU will prepare the Annual Financial Report (AFR) for the Department of Education.
- The MCIU will submit the AFR by October 31st of each year.

Cash Management

- The assigned MCIU Single Point of Contact will be given access to the District's bank accounts. This individual will provide daily monitoring of bank account balances & transactions, process any bank account transfers, release payroll and accounts payable direct deposit/ACH files, and handle any banking transaction issues that may arise.
- The MCIU will monitor cash flow and make necessary investments to maximize investment income and maintain compliance with applicable laws.
- The MCIU will obtain and maintain proper collateralization documentation for all investment funds.
- The MCIU will review current practices and make the necessary adjustments to ensure the proper posting of cash receipts into the financial accounting software program.
- The MCIU will monitor the PA Department of Education's FAI (Financial Accounting Information System) for upcoming subsidy payments and ensure proper receipt and posting in the general ledger.
- The MCIU will ensure the proper segregation of duties in the Business Office and will assign a separate staff member to perform monthly bank reconciliations.

Debt Service & Capital Projects

- The MCIU will monitor and prepare required reporting for outstanding debt service. In addition, the MCIU will prepare the necessary reporting for school district filings.

Financial Accounting Software Program

- The MCIU will work with the District's Technology office to finalize the selection of a new financial accounting software program. If the vendor proposals are obtained in a timely manner, the MCIU will work to implement the payroll portion of the new program for January 1, 2021. If the vendor proposals are not able to be obtained with enough advance notice to a selected vendor, then the MCIU will implement the accounting portion on July 1, 2021.
- The MCIU will maintain the fixed asset inventory tracking system.

Grants Development

- The MCIU will leverage current in-house grants development personnel to support the District's grant writing efforts.
- Additionally, the MCIU proposes to provide a 1.00 grants development coordinator to work with the District team to seek additional outside revenues for the District.

Internal Controls

- The MCIU will review established procedures manuals and provide enhancements to the manuals as necessary.
- The MCIU will provide training on Business procedures and protocols.
- The MCIU will ensure that the work of the Business Office is managed in a manner to ensure a strong segregation of duties.

Payroll Processing

- The MCIU will provide comprehensive payroll preparation services to the District.
- The MCIU will process the payroll to ensure the pay is available for deposit into the employee's bank accounts on the pay date.
- The MCIU will prepare and file all required tax reporting.
- The MCIU will calculate, prepare, and mail all W-2 tax reporting documents.
- The MCIU will remit all payroll deductions within required timelines.
- The MCIU will complete all PSERS (Public School Employee Retirement System) reporting and process electronic payments per the required timelines.

Purchasing

- The MCIU will support and advise the District regarding purchasing of materials and supplies in compliance with the Uniform Grant Guidance and the PA School Code.
- The MCIU will review each purchase order request for bid/quote compliance.
- The MCIU will lead efforts cooperative purchasing initiatives to reduce expenditures for the District.

Risk Management Program

- The MCIU will assess the District's relationship with the insurance broker and make recommendations as necessary.
- The MCIU will work with the District's insurance broker to ensure proper insurance coverage is provided for the District.

- The MCIU will seek opportunities to providing programming or physical improvements to facilities to reduce risk management costs.

Tax Matters

- The MCIU will ensure the timely submission of tax related documents.
- The MCIU will provide oversight to the Keystone Opportunity Zone parcels.
- The MCIU will oversee the delinquent tax collection process.

Office of Human Resources

The MCIU's Office of Human Resources is dedicated to providing excellent personnel services by supporting the hiring and retaining of the most qualified applicants. The comprehensive structure and staffing enables the Office to handle all aspects of personnel relations from the time of hire through to retirement or resignation, including labor relations, recruitment & selection, benefit plan administration, and orientation and new hire training programs.

The MCIU also provides leadership to all Montgomery County School Districts by hosting an annual Diversity Recruitment Fair, coordinating workshops, and developing partnerships with best in class providers to offer vendor solutions at reduced pricing.

While the MCIU will utilize the resources of the entire Office of Human Resources, it is the understanding of the MCIU that the District has a team of qualified individuals operating the Human Resources Department at this time. Therefore, the MCIU only proposes to provide mentoring and consulting support to the existing District team. The MCIU will support the District's team in their efforts in the following areas:

Employee Benefits

- The MCIU support the collaboration with the District's benefits consultant to seek cost effective employee benefit offerings.
- The MCIU will support the open enrollment process, administration of benefit plans, payment of claims, and benefit terminations.
- The MCIU will support wellness programming opportunities for employees, as well as other programming that may assist in reducing overall healthcare expenditures.

Employee Certifications

- The MCIU will support certification records for all professional staff.
- The MCIU will support employees in obtaining permanent certification, certification renewals, and the addition of new areas.
- The MCIU support the correspondence with PDE regarding certification issues and will follow-up on Act 45 and Act 48 requirements for appropriate professionals.
- The MCIU will support the determination if any classrooms were being staffed with temporary substitutes and for how long they have been in the classroom and determine if the temporary substitutes have appropriate certifications.

Employee Leaves

- The MCIU will support requests for leaves of absence for the District.

Labor Relations

- The MCIU will support the effort for collective bargaining negotiations for the District.
- The MCIU will support for the preparation of proposals for District consideration and detailed financial analysis for the proposals offered during collective bargaining.
- The MCIU will support compliance with the approved collective bargaining agreement.
- The MCIU will liaison with the District's labor unions and administrative staff to work towards a resolution of grievances for personnel matters.
- The MCIU will support labor-management meetings and follow-up action based on labor-management discussion/meetings and will work proactively to resolve issues before they become formal grievances.

Policies & Procedures

- The MCIU will review the current employee handbook(s) and make any necessary adjustments.
- The MCIU will develop/revise District policies and procedures for human resources for the Receiver's consideration, for the purpose of assuring consistency in the District, and in compliance with laws, regulations, and collective bargaining agreements.

Recruitment Process

- The MCIU will support the recruitment process to fill administrative, professional, and support staff vacancies with the best, most qualified candidates.
- The MCIU will support the posting/advertising for positions, develop recruitment materials, visit college campuses, and arrange for and attend career fairs
- The MCIU will support hiring managers to ensure appropriate recordkeeping and timely communications with candidates.
- The MCIU will support an ongoing accurate Position Control system for tracking of all approved and filled District positions.
- The MCIU will support the development affiliation agreements with local universities to increase the number of student teachers in the District, in order to attract more high-quality teachers to the District.

Staff Attendance Management & Provision of Substitute Staff

- The MCIU will support the management of staff attendance.
- The MCIU will support annual leave day allotments and carryover of days in accordance with established employee agreements.
- The MCIU will collaborate with outside agencies to provide substitute teaching staff for the District in a cost-effective manner.

Staff Clearances

- The MCIU will support compliance with the requirements of Act 153 of 2014 and Act 15 of 2105, which mandate that all new employees provide written clearances at the time of hire and every 60 months (5 years) thereafter.

- The MCIU will support the collection of all clearance documents to ensure no employee has an impermissible criminal record.
- Pursuant to Act 15 of 2015, the MCIU will support the assurance that the Arrest/Conviction Report and Certification Form (PDE Form 6004) is completed at the time of hire and inform staff members of the need to complete again during the course of employment if an arrest occurs.
- The MCIU will support the tracking compliance with required Mandated Reporters of Child Abuse and Safe Schools trainings.

Staff Evaluations

- The MCIU will support the assurance that all performance evaluation processes for the District are appropriately tracked and maintained to ensure employees receive appropriate feedback on performance and that the process is in compliance with PDE regulations.
- The MCIU will assist administrators and employees with improvement plan development and implementation where necessary.
- The MCIU will assist in the revision of job descriptions, as necessary.
- The MCIU will provide leadership and training regarding the staff evaluation process.

Tax Sheltered Annuity Program

- The MCIU will support the employer responsibilities of the 403(b)/457 plan process for the District.
- The MCIU will support obtaining necessary paperwork for the employees, ensure proper employee deductions, complete electronic reporting, make payments to the clearinghouse vendor, and ensure no employee exceeds the annual contribution limits.
- The MCIU will review plan documents and recommend changes as necessary.

Tuition Reimbursement

- The MCIU will facilitate the review of all tuition reimbursement submissions for approval.
- The MCIU will support the tracking of tuition reimbursement costs for purposes of reviewing for budget purposes and labor negotiations.

Workplace Safety Committee

- The MCIU will support the efforts of the District's workplace safety committee.
- The MCIU will support the maintenance of minutes of meetings and submit documentation for the available 5% policy reduction credit

In addition to the above items, the MCIU's assigned Administrator will act as the District's Compliance Officer and will conduct or coordinate investigations into allegations of sexual harassment or other illegal discrimination.

Office of Operations

The MCIU has a team of experienced, highly skilled individuals who can provide the oversight and leadership needed to manage the District's operations. While the MCIU will leverage the expertise of this team for this project, the MCIU will provide an additional 1.00 FTE Director of Operations for the Chester-Upland School District and a 1.00 FTE Supervisor of Transportation. It is the MCIU's understanding that the District has a qualified Director of Facilities that will work with the MCIU's Operations team, as well as, a District employed staff member who provides the required oversight of the Food Services program.

Energy Conservation

- The MCIU will develop and implement a District-wide energy conservation program.
- The MCIU will work with electricity, natural gas, and other utility providers to ensure the most cost effective opportunities for the District.
- The MCIU will collaborate with the Academic administrators to develop conservation initiatives and programming geared to enlisting student support of conservation efforts.

Maintenance/Custodial

- The MCIU will oversee all custodial and maintenance operations for the District.
- The MCIU will work with the District staff members to complete the required preventative maintenance work to ensure the schools remain safe and clean for the students and staff members.
- The MCIU will oversee the grounds maintenance operations, including mowing, athletic field prep, snow-plowing and contracted work.

Pupil Transportation

- The MCIU will oversee the pupil transportation services for the District.
- The MCIU will work with the District staff members to ensure a smooth operation.
- The MCIU aggressively monitor transportation contracts and invoicing to ensure compliance and cost effectiveness of the program.

Strategic Planning

- The MCIU will develop and maintain a comprehensive Capital Improvement Plan for the District.
- The MCIU will develop and maintain a comprehensive preventative maintenance plan for the District's facilities.
- The MCIU will review policies and procedures and provide enhancements to ensure compliance with applicable laws.
- The MCIU will provide staff development on a variety of maintenance and custodial topics.

Reporting

The MCIU team will provide a comprehensive monthly report to the Receiver by the 20th of each month. This comprehensive report will include a detailed summary of the work completed for each Office area during the previous month.

Chester-Upland School District - 2021/2022 Proposed Budget

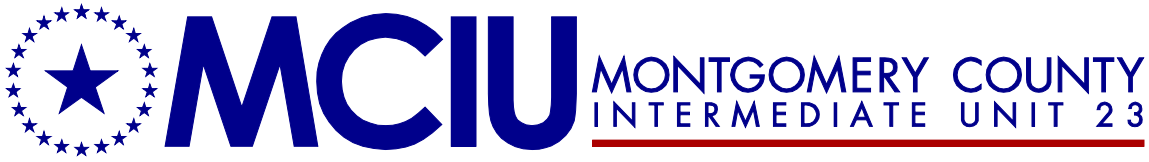
Account Code	Account Title	Budget Justification	Budget
<u>Office of the Superintendent</u>			
111	Salaries - Administrative	Acting Superintendent of Schools (1.00 FTE)	\$ 195,000
111	Salaries - Administrative	Director of Educational Transformation (0.50 FTE)	95,000
151	Salaries - Office/Clerical	Confidential Administrative Assistant (1.00 FTE)	60,000
<u>Office of Academics</u>			
111	Salaries - Administrative	Chief Academic Officer (1.00 FTE)	140,000
111	Salaries - Administrative	Program Admin/Academics (1.00 FTE)	120,000
111	Salaries - Administrative	Program Admin/Academics (1.00 FTE)	120,000
151	Salaries - Office Clerical	Administrative Assistant (1.00 FTE)	45,000
111	Salaries - Administrative	Program Admin/Special Education - Elementary (1.00 FTE)	120,000
111	Salaries - Administrative	Program Admin/Special Education - Secondary (1.00 FTE)	120,000
111	Salaries - Administrative	Program Admin/Special Education - Other (1.00 FTE)	120,000
151	Salaries - Office Clerical	Administrative Assistant/Special Education (1.00 FTE)	45,000
<u>Office of Accountability</u>			
111	Salaries - Administrative	Director of Accountability (1.00 FTE)	140,000
151	Salaries - Office Clerical	Administrative Assistant (1.00 FTE)	45,000
151	Salaries - Office/Clerical	Registration Coordinator (1.00 FTE)	60,000
151	Salaries - Office/Clerical	Registration Secretary (1.00 FTE)	38,000
151	Salaries - Office/Clerical	Child Accounting/PIMS Accountant (1.00 FTE)	45,000
151	Salaries - Office/Clerical	Child Accounting/PIMS Accountant (1.00 FTE)	45,000
<u>Office of Business Services</u>			
111	Salaries - Administrative	Director of Business Services (1.00 FTE)	130,000

Chester-Upland School District - 2021/2022 Proposed Budget

Account Code	Account Title	Budget Justification	Budget
151	Salaries - Office/Clerical	Grants/Revenue Development Coordinator (1.00 FTE)	60,000
151	Salaries - Office/Clerical	Grants Accountant (1.00 FTE)	45,000
151	Salaries - Office/Clerical	Payroll Coordinator (1.00 FTE)	65,000
151	Salaries - Office/Clerical	Accounts Payable Specialist (0.40 FTE)	20,000
151	Salaries - Office/Clerical	Accounts Receivable Specialist (0.40 FTE)	20,000
151	Salaries - Office/Clerical	General Ledger Accountant (1.00 FTE)	60,000
Human Resources			
111	Salaries - Administrative	Human Resources - Consulting Support (Estimated 100 Days)	105,000
Office of Operations			
111	Salaries - Administrative	Director of Operations (1.00 FTE)	140,000
111	Salaries - Administrative	Supervisor of Transportation (1.00 FTE)	85,000
211	Medical Insurance ((BC/BS)	Self Insured via SEPAST	199,785
212	Dental Insurance	Self Insured via Delta Dental	34,020
213	Life Insurance	Provided by Sun Life Insurance	7,125
214	Disability Insurance	Provided by Madison Life Insurance	7,750
216	Prescription Insurance	Self Insured via SEPAST	130,470
219	Health Savings Account	Provided by Trion	15,795
220	Social Security Contributions	Total Salary x 7.65% (Shown Net of Expected State Reimbursement)	87,325
230	Retirement Contributions (1/2)	Total Salary x 34.94% (Shown Net of Expected State Reimbursement)	398,840
240	Tuition Reimbursement	Estimated Usage	13,500
250	Unemployment Compensation	Estimated Usage	9,720
260	Workmen's Compensation	Total Salary x 1% (Self Insured via SDIC - School Districts Insurance Consortium)	22,830
340	Contracted Technical Services	Financial Software Program	8,400
360	Professional Educational Services	Employee Training & Development	10,000
390	Contracted Professional Services	Contracted Consultant for Charter School Expenditure/Reporting	22,500
390	Contracted Professional Services	Temporary Contracted Clerical Assistance for Start of School Year	22,500
390	Contracted Professional Services	Contracted Consultants for Special Education/Academics	40,000

Chester-Upland School District - 2021/2022 Proposed Budget

Account Code	Account Title	Budget Justification	Budget
523	General property and liability Ins.	Liability Insurance	3,000
530	Communications	Cell Phones for Project Administrative Staff	12,000
530	Communications	Postage (at current rates)	6,500
540	Advertising	Required Advertising	1,000
550	Printing & Binding	Printing of Marketing & Registration Materials	8,000
580	Travel	Travel	28,000
610	Office Supplies	Office supplies	5,000
		Subtotal	\$ 3,377,060
939	Administrative Costs	Expenses x 6%	202,625
		Total Proposed Budget	\$ 3,579,685



**Montgomery County Intermediate Unit #23
Budget Proposal – Year One**

Budget Narrative

The following budget narrative details the proposed budget for year one of the three year proposed agreement.

Direct Labor Costs

This category includes the personnel salary and support costs to be paid to the employees assigned to the Chester-Upland School District project. This includes:

- Acting Superintendent of Schools (1.00 FTE, 35 hours/week) – This individual will serve as the Chief Executive Officer for the District.
- Director of Educational Turnaround (0.50 FTE, 17.5 hours/week) – This individual will be responsible for the overall operations of the project with Chester-Upland School District
- Chief Academic Officer (1.00 FTE, 35 hours/week) – This individual will lead the instructional programming for the District.
- Program Administrator/Academics (2.00 FTE, 35 hours/week) – These individuals will support the implementation of instructional initiatives at the building level.
- Director/Accountability (1.00 FTE, 35 hours/week) – This individual will manage the daily operations of the student registration, child accounting, and federal programs office.
- Director/Business Services (1.00 FTE, 35 hours/week) – This individual will manage the daily operations of the District’s Business Office.
- Director/Operations (1.00 FTE, 35 hours/week) – This individual will oversee the custodial and maintenance functions of the District.
- Program Administrator/Special Education (3.00 FTE, 35 hours/week) – These individuals will support the Director/Special Education in leading the special education programming for the District.
- Grants Development Coordinator (1.00 FTE, 35 hours/week) – This individual will seek new grant/funding opportunities for the District, write new grant applications, and development new mutually beneficial partnerships with funders.

- Grants Accountant (1.00 FTE, 35 hours/week) – This individual will manage the financial reporting for the District's grants, including the budget submission, quarterly reports, and final expenditure reporting.
- General Ledger Accountant (1.00 FTE, 35 hours/week) – This individual will prepare monthly bank reconciliations, account analysis, and monthly Treasurer's Reports.
- Payroll Coordinator (1.00 FTE, 35 hours/week) – This individual prepares the bi-weekly payroll, prepares tax reporting and manages the PSERS reporting process.
- Accounts Payable Specialist (0.40 FTE, 14 hours/week) – This individual processes the vendor and provider payments for the organization, prepares IRS 1099 forms, and assists with the electronic paperless processing initiatives.
- Accounts Receivable Specialist (0.40 FTE, 14 hours/week) – This individual prepares the service invoices for the organization and follows thru on collection activities.
- Registration Coordinator (1.00 FTE, 35 hours/week) – This individual will manage the daily operations of the student registration office.
- Registration Secretary (1.00 FTE, 35 hours/week) – This individual will provide the clerical support to the student registration and child accounting offices.
- Child Accounting/PIMS Accountant (2.00 FTE, 35 hours/week/position) – These individuals will perform the PIMS reporting, invoice reviews, and other related child accounting functions.
- Administrative Assistant/Special Education (4.00 FTE, 35 hours/week) – This individual will provide the clerical support for the various programs.
- HR Consulting Support – An estimated 100 days of support has been included in this proposal.

Labor Overhead

This category includes the estimated medical, dental, life and disability insurance costs & health savings accounts for the individuals providing services to the District. All employees will be expected to contribute towards the cost of healthcare, therefore amounts included in the budget reflect the net cost (after the co-share has been applied).

As a public school entity, employees are eligible for PSERS (Public School Employees Retirement System). The PSERS costs have been estimated based on the current projected PSERS rates and reflects an anticipated 50% reimbursement from the Commonwealth.

Additional costs have been included for the employer's share of social security/medicare, unemployment compensation, and worker's compensation.

Purchased Professional Services

Due to the unique nature and variety of program offerings of the District, the MCIU has budgeted funds for the procurement of several outside consultants/experts to support the overall initiatives of the program.

- Temporary Student Registration Support: The MCIU has budgeted \$22,500 to provide an enhanced level of support to the student registration department for an annual ten (10) week period surrounding the start of the school year.
- Contracted Accounting Consultant: The MCIU has budgeted \$22,500 to contract with a former Business Administrator/CFO to support the MCIU's analysis of charter school costs and other assigned areas.
- Employee Training and Development: The MCIU has included \$10,000 in the budget for project assigned staff members to attend required professional development and grant related trainings.
- Contracted Consultants for Special Education Services: The MCIU has budgeted \$40,000 for the procurement of various outside consultants to provide professional development opportunities for the District's staff.
- Contracted Technical Services: The MCIU is exploring the option of utilizing its current efinance system to house the District's financial records, process payroll, etc. The MCIU has budgeted \$8,400 for this purpose.

Other Purchased Services

The proposed budget includes several items in this category, as outlined below.

- Property/Liability/Fire Insurance: The MCIU utilizes the services of Willis of Pennsylvania for insurance brokerage services. Based on current estimates for coverage renewal, an amount of \$3,000 has been budgeted for fire, property & liability insurance at a pro-rated amount to this project. The MCIU's liability policy includes coverage at \$3,000,000 per incident, as well as, an additional \$10,000,000 umbrella policy. The MCIU also obtains cyber liability insurance for its operations.
- Phone/Internet Services: The MCIU has budgeted \$12,000 to provide cell phone services to administrators assigned to this project.

- Mailing/Postage Costs: The budget includes \$6,500 for the cost of consumable postage and express mailing fees.
- Advertising: Funds have been included in this category to support the external communication needs of the Administrative operations, for example bid advertising.
- Printing & Binding: The budget includes \$8,000 to support the costs of printing & copying of marketing and registration materials.
- Travel: The budget includes \$28,000 for local mileage expenses. The MCIU's Board policy permits reimbursement in accordance with the current Internal Revenue Service mileage rate.

Supplies, Materials, & Equipment

The MCIU abides by the procurement regulations of the Uniform Grant Guidelines, as well as, the PA School Code. For the items noted below, the MCIU assures full compliance with procurement initiatives.

- Supplies: The budget includes \$5,000 for the purchase of office/training supplies (such as, copy paper, pens/pencils, dry erase markers, etc).

General Overhead Costs

The MCIU's restricted indirect cost rate is 7.5% (as calculated annually by the PA Department of Education). However, for the purposes of this proposal, the MCIU has only included an indirect cost rate of 6%. These funds provide infrastructure support for the MCIU operations, including agency administration, facilities and professional development.

Montgomery County Intermediate Unit Chester Upland School District Recovery Project Leadership Team

