

## MASTER AGREEMENT FOR PRESCHOOL EXPANSION SERVICES

This Master Agreement for Preschool Expansion Services is entered into on this \_\_\_\_ day of March, 2017, by and among the Board of Education (the “Board” or the “Board of Education”) of the Cincinnati City School District (the “School District” or “Cincinnati Public Schools” or “CPS”), a school district and political subdivision of the State of Ohio; United Way of Greater Cincinnati (“United Way”), an Ohio non-profit corporation; and Cincinnati Preschool Promise, LLC (the “Preschool Expansion Organization” or “PEO”), an Ohio non-profit limited liability company.

### RECITALS

Greater Cincinnati has a long-standing commitment to improving early learning opportunities for children, with ongoing investments in Early Childhood Education (ECE) programs. The School District has been offering high-quality preschool programs for more than 50 years and is one of the main providers of preschool in the city.

For more than 100 years, United Way has worked to mobilize community funding to improve lives. For the past 30 years the United Way has partnered with community agencies to improve access to quality early childhood education. Most recently, for the last decade, the United Way’s top priority has been its Success By 6 Initiative, which focuses on preparing every child for kindergarten.

Beginning in 2012, in response to limited or incremental progress in kindergarten readiness rates, the StrivePartnership alongside its many partners (e.g. Community Action Agency, Greater Cincinnati Foundation, Haile U.S. Bank Foundation, United Way of Greater Cincinnati, AMOS Project, and 4C for Children), launched the Cincinnati Preschool Promise (CPP, also known as the Cincinnati Preschool Alliance), to provide two years of quality preschool for every child. Building on the work and research of United Way’s Success by 6, CPP began to organize the community around the need for two years of quality preschool.

The School District, CPP, and the Business Community all came together to provide a comprehensive overview of the impact of preschool and how best to best improve it in Cincinnati. This research, produced by the RAND Corporation, has helped to guide this movement. According to the report by the Rand Corporation,<sup>1</sup> there are approximately 9,150 three- and four-year-old children living in Cincinnati. Nearly 67% of these children live in families with incomes of less than 200% of the Federal Poverty Level (FPL).

Rand found that while the available space in Cincinnati preschool or center-based child care programs would be sufficient to reach 79% of preschool-aged children in Cincinnati, there is a “substantial quality gap.” As of March 2016, Rand determined that less than half (45%) of the available preschool seats in Cincinnati are rated as quality providers.

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<sup>1</sup> Karoly, Kase, McDaniel, and Radmacher, (2016), *Options for Investing in Access to High-Quality Preschool in Cincinnati*, RAND Corporation, available at [http://www.rand.org/pubs/research\\_reports/RR1615.html](http://www.rand.org/pubs/research_reports/RR1615.html).

In addition to the School District, the Cincinnati-Hamilton County Community Action Agency (CAA) and other providers who are recipients of federal Head Start and Ohio ECE grant funding offer quality preschool programs. The majority of other preschool or center-based childcare programs either are not rated because the providers do not participate in the state's rating system or are rated as lower quality.

The state of Ohio has developed a goal that all programs will be quality rated by 2020 and highly rated by 2025, yet additional resources to achieve the goal have not been allocated. Funding to assist local programs will increase quality and participation among rated and unrated programs.

In response to this historic research and the wide public support for the Cincinnati Preschool Promise Initiative, the Cincinnati School Board and CPP came together to create a shared vision to designate a pool of preschool expansion funds to the District's 2016 Emergency Tax Levy. These designated funds would be used to increase the availability of quality preschool opportunities within the School District and among those community preschool providers located within the School District boundaries. As a result of this effort, Issue 44 was supported by a broad base of community, business, faith-based, and other organizations and approved by the voters on November 8, 2016.

The Board, United Way and the PEO share a vision for the expansion of quality preschool seats in both CPS and among current community providers' facilities within the School District. That increased availability of seats and access to varied quality choices coupled with significant financial investment in quality improvement grants for currently unrated or lower rated community providers will improve the local preschool landscape, strengthen the K-12 school system, and give more children a great start and a great school. This shared vision includes the following:

1. Children and their families must have access to high quality programs, which means tuition assistance must be available on a per pupil basis starting with the most economically-disadvantaged children. Quality improvement funding will be available for non-rated and lower-rated programs to raise these programs to high quality.
2. The School District is the established fiscal and taxing agent and will retain fiscal responsibility, authority, and accountability for tax levy revenues. Levy proceeds allocated to preschool expansion will be disbursed transparently and objectively in accordance with the Ohio Public Records and Open Meetings laws, with the flow of dollars disbursed through an agreed-upon budget and reconciliation process.
3. Common tuition funding will be applied to all preschool providers, both Cincinnati Public Schools and Community Providers. Cincinnati Public Schools and Community Providers will be compensated at a level that is tied to their quality rating and fits within an annually approved budget.
4. To maximize the number of children who will benefit from preschool and to preserve resources for quality improvement, the Cincinnati Public Schools and all participating Community Providers will continue to pursue all private and public funding resources (such as Title I and ODE ECE funds), with levy proceeds to be allocated on a "last

dollar” funding basis starting with the most economically-disadvantaged children. Levy proceeds should not take the place of existing funding.

5. Quality is critical for preschool to be impactful. Ensuring a quality preschool experience for children requires providing full-time teachers good salaries whether they are in a private or public educational setting. Preschool funding should ensure competitive wages for full-time teachers with comparable credentials, with a rate of at least \$15 an hour for full-time instructors without four-year degrees. This will ensure that participating preschool programs can hire and retain good teachers and provide quality.
6. Public tax levy funds will be expended in compliance with all statutory requirements.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, the sufficiency of which are acknowledged by the parties hereto, the Board, United Way and the PEO hereby agree as follows:

## **1. DEFINITIONS.**

For the purposes of this Agreement the following terms shall have the meaning set opposite each term:

“Benchmarks to Achieving Quality” or “Benchmarks” means measurable progress towards a Quality Preschool Program that is aligned with the State’s Step Up to Quality Rating scale as set forth in the Grant Agreements to be entered into between the PEO and individual community providers.

“Community Provider” means any operator of a Preschool Program located within the geographic boundaries of the School District but does not include School District Preschool Seats. Examples of Community Providers include Preschool Programs receiving federal Head Start assistance, Ohio ECE grants, parochial and non-parochial private schools.

“School District” means the Cincinnati City School District, Hamilton County, Ohio.

“FPL” means Federal Poverty Level, a measure of income published by the United States Department of Health and Human Services.

“Last Eligible Dollar” means that Preschool Levy Funds should not take the place of existing funding, except as provided in this Agreement.

“New Community Provider Preschool Seat” means a Community Provider Preschool Seat in a Quality Preschool Program added after June 30, 2017.

“New School District Preschool Seat” means a School District Preschool Seat added after June 30, 2017.

“Ohio’s Step Up To Quality Scale” means the five-star quality rating and improvement system administered by the Ohio Department of Education and the Ohio Department of Job and Family Services.

“PEO” means the Cincinnati Preschool Program, LLC, the Board of Managers of which includes individuals nominated by the Board of Education, United Way, and the Cincinnati Promise Alliance, formerly known as Cincinnati Preschool Promise, an Ohio non-profit corporation.

“Preschool Program” means an educational-based program, which provides services to pre-school aged children with the goal of ensuring those children are ready to enter kindergarten when they 5 or 6 years of age and capable of completing the kindergarten curriculum.

“Preschool Levy Funds” means the CPS Issue 44 Levy Funds that the School District is allocating to expansion to preschool in the form of Tuition Assistance and Quality Improvement and shall be calculated by taking the product of 15/48 multiplied by the amount collected (less auditor’s collection fees) pursuant to the School District’s \$48,000,000 Emergency Levy approved by the School District’s voters on November 8, 2016.

“Preschool Seat” means space and resources to provide services for one Preschool Student within a Quality Preschool Program.

“Preschool Student” means a child between the ages of 3 and 5 years of age and not yet eligible for kindergarten, who is a resident of the School District and entitled to attend a School District school under Ohio Rev. Code 3313.64.

“Quality Improvement” means an increase in the quality rating assigned to a Preschool Program on Ohio’s Step Up to Quality Scale.

“Quality Improvement Grant” means funding from the Preschool Levy Funds for the purpose of Quality Improvement Programs aligned with Ohio’s Step Up to Quality Scale.

“Quality Improvement Program” means those actions undertaken by the PEO and/or the Community Providers and the School District aligned with Ohio’s Step Up to Quality Scale, including, without limitation, in the form of training, professional development, hiring additional staff, coaching, and access to curriculum and assessments.

“Quality Preschool Program” means a Preschool Program rated 3, 4, or 5 stars on Ohio’s Step Up to Quality Scale and meeting the requirements of Ohio Revised Code Section 3313.646(C), including staff requirements set forth in Ohio Revised Code Section 3301.53.

“School Year” means the period of time that corresponds to the School District’s annual academic calendar, commencing in August of each calendar year and ending in May of the following calendar year.

“Tuition Assistance” means a per pupil amount to be provided for payment of tuition for Preschool Students as set forth in Section 4 herein.

“Tuition Payment Date” means the 15<sup>th</sup> day of each month for the months August through and including April.

“United Way” means United Way of Greater Cincinnati.

## **2. ALLOCATION OF FUNDS**

### **A. Preschool Levy Funds**

It is the intent of the parties that the Preschool Levy Funds, in their entirety, shall be used to achieve the goals outlined in the aforementioned shared vision. To achieve these goals, the Preschool Levy Funds shall be retained by the School District and allocated to the United Way and to the PEO subject to the following terms:

The PEO shall allocate Preschool Levy Funds in each School Year between Tuition Assistance, Quality Improvement Grants, Traveling Special Education Teams, Administrative Costs, and Additional Costs as described below.

### **B. Tuition Assistance and Quality Improvement**

School Year 2017/2018 a minimum of \$5,000,000 will be available for Tuition Assistance and a minimum of \$2,000,000 will be available for Quality Improvement Grants;

School Year 2018/2019 a minimum of \$6,000,000 will be available for Tuition Assistance and a minimum of \$3,000,000 will be available for Quality Improvement Grants;

School Year 2019/2020 a minimum of \$7,000,000 will be available for Tuition Assistance and a minimum of \$2,000,000 will be available for Quality Improvement Grants;

School Year 2020/2021 a minimum of \$8,000,000 will be available for Tuition Assistance and a minimum of \$2,000,000 will be available for Quality Improvement Grants;

School Year 2021/2022 a minimum of \$9,000,000 will be available for Tuition Assistance and a minimum of \$1,000,000 will be available for Quality Improvement Grants;

The minimums described above for Tuition Assistance include the funds spent for School District and Community Provider Tuition Assistance. The PEO may recommend changes to the minimum funding allocations for Tuition Assistance and Quality Improvement Grants from year-to-year subject to the approval of the Board of Education, with input from the Financial Working Group and Workforce Development Committee.

### **C. Traveling Special Education Teams**

On no less than an annual basis, the parties shall mutually agree on an amount of Preschool Levy Funds that the School District shall retain in order to create additional traveling special education teams to serve, consistent with state and federal guidelines, the anticipated increased number of special education students enrolled in Community Provider Preschools.

### **D. Administrative Costs**

The PEO shall receive funds for costs including salary and benefits for its staff, contracts for services provided to the PEO, data management for enrollment, eligibility and a payment system for Community Providers, communication and outreach, and other administrative costs. The PEO shall make every effort to minimize its administrative costs and to maximize the funding allocated to tuition assistance and quality improvement. At the request of the Board of Education, the PEO Board shall review administrative costs of the PEO with the United Way and the Board of Education.

United Way will provide support to the PEO by providing executive management, financial and administrative support, including HR, advocacy and fundraising. United Way shall be paid an administrative fee of \$200,000 annually starting on the date of this Agreement, to be increased only with the approval of the PEO Board and Board of Education after the first year.

The parties recognize that the School District will also have increased administrative costs related to the expansion of preschool at District Schools. The School District shall retain an administrative fee of \$200,000 annually starting on the effective date of this Agreement, to be increased only with approval of the PEO Board and the United Way Board after the first year. The School District agrees to utilize these funds to hire staff that will serve as the main point of contact for questions about the Preschool Levy Funds and this Agreement to the PEO, the United Way, Community Providers, and to Parents.

### **E. Additional Costs**

It is the understanding of the parties that the School District may retain additional Preschool Levy Funds for other costs related to the provision of quality preschool and for the Workforce Development Council (as defined in Section 6 of this agreement), subject to the mutual agreement of all parties.

## **3. PAYMENT OF FUNDS**

Upon the execution of this agreement, the Financial Working Group (See Appendix B) shall convene to determine the method for the flow of Preschool Levy Funds from the School District, to the United Way and to the PEO. The parties presently anticipate that a schedule of requisitions shall be created for Tuition Assistance, Quality Improvement, and Administrative Costs. Such requisitions shall be regularly submitted to the Board of Education for approval in the Treasurer's

Report. Payments shall be subject to compliance review by the School District’s auditors and the Ohio Auditor of State.

The Financial Working Group shall endeavor to create a schedule of payment that meets the following goals:

- The School District shall pay the Preschool Levy Funds to the United Way for each of the costs described in Section 2 of this agreement.
- The School District shall retain Preschool Levy Funds pursuant to Sections 2(C), 2(D), and 2(E) of this agreement.
- The School District shall also retain Preschool Levy Funds for the estimated cost of Tuition Assistance for CPS Preschool Students as described in section 4(C) of this agreement.
- The United Way shall pay the PEO Preschool Levy Funds for all costs outlined in 2(B) and 2(D) of this agreement.
- The United Way shall retain Preschool Levy Funds as outlined in section 2(D) of this agreement.
- The School District will make the first payment of the Preschool Levy Funds to the United Way within 30 days of the execution of this agreement.
- The School District shall release funds to the United Way for Tuition Assistance for students enrolled with Community Providers on a monthly basis.
- The School District shall release funds to the United Way for Administrative Costs on a quarterly basis.
- The School District shall release funds to the United Way for Quality Improvement in a mutually agreeable manner.
- A timely reconciliation process will be developed to ensure that the School District and the United Way have retained the proper amount of Preschool Levy Funds and that the PEO received the proper amount of Preschool Levy Funds on a regular basis.

#### **4. TUITION ASSISTANCE PROGRAM**

##### **A. Tuition Assistance**

Tuition Assistance for each eligible Preschool Student shall be available to the School District and Community Providers to the credit of the respective student for Preschool Students enrolled in Quality Preschool Programs on each Tuition Payment Date. The PEO shall make Tuition Assistance payments to Community Providers on a monthly basis. The PEO shall serve as the “clearinghouse” for determining eligibility and allocation of all tuition assistance payments to Community Providers and to review the Tuition Assistance funds retained in good faith by the School District, subject to the reconciliation process in Section 3. The funding formula applies equally to the School District and Community Providers.

The funding formula is as follows:

((Cost of Quality Education per Pupil *times* Provider Rating Percentage *times* Income Adjuster *times* Hours Per Day *times* Days Per Week) *divided by* 9 months) *minus* monthly amount of other available subsidies and assistance.

*Cost of Quality Education per Pupil equals \$8,581.00 for School Year 2017-18 and will be adjusted each subsequent School Year as determined by the Financial Working Group and approved by the PEO. The process used by the PEO to determine the Cost of Quality Education shall be substantially similar to the process used to determine the Cost of Quality Education for the 2017-18 school year. School District approval shall be required for changes to the Cost of Quality Education exceeding 3% in any School Year.*

***Provider Percentage equals***

<u>Community Provider Rating</u>	<u>Provider Percentage</u>
In process / not rated:	0%
1-Star:	0%
2-Star:	0%
3-Star:	75%
4-Star:	90%
5-Star:	100%

All School District preschool sites shall be presumed to have a 5-Star rating for the 2017-18 School year, which is consistent with the School District’s currently rated programs. During the term of the agreement, assuming a proper application has been made to the State for a rating on Ohio’s Step Up to Quality rating scale, School District preschools, Head Start programs that are self-administered and delegated, and Archdiocese programs shall be considered at least 3-Star rated programs and presumed to have a rating consistent with the rating of other programs sponsored by that provider. The PEO shall have the ability to presume that other Community Providers qualify as Star-rated providers with a proper application pending and if those programs meet the requirements of Ohio’s Step Up to Quality rating scale. The purpose of these presumptions shall be to avoid delays in the funding of Quality Preschool Programs while such Program’s rating application is pending.

The PEO will establish policies to address changes that occur during the school year in Community Provider Ratings, student transfers, absenteeism of participating students, etc. Such policies shall maximize the efficient use of Tuition Assistance funds and be designed to address the best interest of the affected preschool student.

***Income Adjuster equals***

<u>Income % of FPL*</u>	<u>Income Adjuster (minimum)</u>
0% - 200%	100%
201% - 250%	75%
251% - 300%	50%
301% - 500%	20%
>500%	5%

\*The PEO may apply the Income Adjuster with additional levels provided the minimum tuition reimbursement described above is provided, to be applied equally to all participating School District and non-School District students.

***Hours Per Day equals:***

<u>Hours per day*</u>	<u>Intensity</u>
6.5 hours up to 8 hours or a School District full day program (as currently defined)	100%
3.5 hours to less than 6.5 hours or a School District half day program (as currently defined)	50%
Less than 3.5 hours	0%

\*Students who have an individual education plan calling for a shorter educational day shall be funded as participating in either a full-day or half-day program.

***Days Per Week equals:***

<u>Days per week*</u>	<u>Intensity</u>
5 days	100%
4 days	80%
3 days	60%
2 days	40%
1 day	20%

\*Students shall be funded in the number of days per week the student is enrolled in a preschool program.

### ***Children Served***

The PEO will use best efforts to prioritize Tuition Assistance in the following order:

- First - 4 year olds up to 200% FPL
- Second - 4 year olds up to 300% FPL
- Third - 3 year olds up to 200% FPL
- Fourth - 3 year olds up to 300% FPL
- Fifth - All 4 year olds, then 3 year olds above 300% FPL

### ***Last Eligible Dollar***

Families, the PEO, Community Providers, and the School District will pursue all private and public funding resources. To the extent permitted by law, Tuition Assistance will be awarded based on a “last eligible dollar” basis and shall be reduced to account for any other source of funding that a family is eligible to receive for preschool or that is already in the system for preschool. The School District agrees to continue to commit a comparable percentage of federal funds toward preschool programs as it has in previous years or shall commit the federal funds it is required to commit by law, but shall not be expected to increase its percentage contribution of federal funds toward preschool programs. Similarly, in calculating the “last eligible dollar,” Community Providers shall also be expected to commit a comparable percentage of federal funds toward preschool programs. In calculating the “last eligible dollar,” the School District shall not be expected to commit general fund dollars toward preschool beyond the Preschool Levy Funds.

It is the intention of the parties that all quality preschool providers shall have the ability to receive tuition assistance funding pursuant to this Agreement, and the PEO shall not discriminate against programs based on the program’s religious affiliation or non-affiliation.

### **B. Tuition Funding to Community Providers**

The PEO will work with Community Providers to expand Quality Preschool Programs offered by Community Providers within the School District by increasing the number of available Preschool Seats and by making those Preschool Seats financially accessible to Preschool Students.

The PEO will create and maintain a list of Quality Preschool Programs and will assist families of Preschool Students with enrolling in those Quality Preschool Programs. Appendix A contains a list of the Quality Preschool Programs as of the date of this Agreement.

The PEO presently anticipates that 1,000 New Community Provider Preschool Seats will become available during the term of this Agreement. The PEO will use Quality Improvement funds described below in Section 5 to help create the New Community Provider Preschool Seats.

The PEO will be responsible for ensuring that any preschool provider receiving Tuition Assistance funding is a Quality Preschool Program with a 3, 4, or 5 star rating on Ohio’s Step Up to Quality Scale, or as otherwise designated as such, as provided in Section 4A herein, and is in full compliance with Ohio Revised Code Sections 3313.646 and 3301.52 to 3301.57, as applicable. Upon request from the School District, the PEO shall provide to the School District any reasonably

requested information on a Community Provider receiving Tuition Assistance regarding the Community Provider's rating or compliance with the applicable Ohio Revised Code provisions. Upon request from the PEO the School District shall provide any reasonably requested information on School District preschool programs receiving Tuition Assistance regarding the School District program's rating or compliance with applicable ORC provisions.

### **C. Tuition Funding for CPS Preschools**

The School District will expand Quality Preschool Programs offered at School District schools by increasing the number of available Preschool Seats and by making those Preschool Seats financially accessible to Preschool Students. During the 2016-17 School Year, the School District added approximately 300 New School District Preschool Seats. In the 2017-18 School Year, the School District presently anticipates that an additional 400 New School District Preschool Seats will be available. The School District shall annually report the number of New School District Preschool Seats available to Preschool Students.

The School District will create and maintain a list of available seats within District schools and will assist families of Preschool Students with enrolling in those schools.

The School District will retain from the Preschool Levy Funds a good faith estimate of the Tuition Assistance amount for each eligible Preschool Student enrolled at District schools in each School Year, beginning in August 2017, subject to the reconciliation process in Section 3.

Upon request from the PEO, the School District shall provide any reasonably requested information on the enrollment of Preschool Students enrolled in District Schools and any data regarding other funding the School District receives for its Preschool Programs.

## **5. QUALITY IMPROVEMENT PROGRAM**

The PEO will work with Community Providers to improve the quality of preschool programs throughout the School District.

The PEO will add 1,000 New Community Provider Preschool Seats by August 1, 2021. Such seats are estimated to be provided according to the following schedule:

200 New Community Provider Preschool Seats before the 2018-19 school year  
400 aggregate New Community Provider Preschool Seats before the 2019-20 school year  
600 aggregate New Community Provider Preschool Seats before the 2020-21 school year  
1,000 aggregate New Community Provider Preschool Seats before the 2021-22 school year

On or before June 1, 2017, the PEO shall provide to the School District and United Way the current number of existing Preschool Seats in Quality Programs. Not later than April 1 of each year, starting in 2018, the PEO shall report on the actual number of New Community Provider Preschool Seats created for the upcoming school year. If the report for April 1, 2019, does not indicate that the number of New Community Provider Preschool Seats to be provided for the 2019/20 school year is within 80% of the target number shown above, the PEO shall revise and re-implement the plan to increase the number of New Community Provider Preschool Seats being provided.

Community Providers who have been operating a Preschool Program, but who are not operating a Quality Preschool Program and are willing to achieve and sustain a Quality Preschool Program will be eligible for Quality Improvement support, including coaching, professional development and access to curriculum and assessments available in the form of a Quality Improvement Grant from the PEO. The PEO will accept grant applications from interested Community Providers, the form of which is to be developed by the PEO.

The PEO shall conduct a comprehensive needs assessment in the areas of the Community Provider's environment, classroom, and administration. The PEO shall determine which providers shall receive Quality Improvement Grants and in what amount, and shall develop a comprehensive plan for the Community Provider which shall include Benchmarks to Achieving Quality with a clear action plan and timeline. Community Providers who are awarded such Quality Improvement Grants shall enter into a Grant Agreement with the PEO in the form to be developed by the PEO.

The School District will have the right to review any and all Grant Applications, Agreements, and progress towards meeting the required Benchmarks towards Quality Improvement set forth therein at any time.

The PEO shall maintain control of funds used on Quality Improvement Grants, with vendors paid directly by the PEO for any goods or services obtained with Quality Improvement funds.

In any year, a preschool provider may be eligible to receive either tuition assistance funding or quality improvement funding but shall not be eligible for both.

## **6. WORKFORCE DEVELOPMENT COUNCIL**

A Workforce Development Council shall be established by the Board of Education to ensure, without duplication of existing functions, that all preschool providers receiving tuition funds maintain applicable, professional employment standards, livable wages with wage parity, and curricular alignment to state learning standards. The Council has the responsibility of monitoring and reporting non-compliance to the United Way and ultimately to the Board of Education.

## **7. COMPLIANCE AND REPORTING REQUIREMENTS**

Levy proceeds allocated to preschool expansion will be disbursed transparently and objectively in accordance with the Ohio Public Records and Open Meetings laws. The School District shall have the right to review any and all records of the PEO, including financial statements and reports, pertaining to any services provided pursuant to this Agreement or any payments made by the School District to the PEO. The PEO Board shall publicly announce the time and place of its regular meeting schedule and permit members of the public to attend such meetings.

All contracts and funds disbursed for preschool expansion shall comply with the School District's Board Policies, including Board Policy 2255 Equity and Excellence in Education; Board Policy 6450 Equal and Fair Opportunity in Contract Employment and Business Opportunities; and Board Policy 6320.03 Local Business Enterprise Initiative.

The PEO shall comply with the United Way accounting and human resources policies except where they may conflict with the aforementioned School District's Board Policies, which shall take precedence, or with the PEO Board or Board-delegated committee established policies.

The PEO and all Community Providers receiving funds pursuant to this Agreement represent and warrant that they shall not discriminate in employment or in the enrollment of students on any prohibited basis.

The PEO will provide regular financial, educational and student participation reports to the School District, as detailed below.

Records and reports required to be maintained and/or provided pursuant to this Agreement may be retained and/or provided in electronic form.

#### *Financial Reporting Requirements*

The PEO will provide quarterly financial reports to the School District's Treasurer / CFO on each March 1, June 1, September 1, and December 1, commencing with June 1, 2017, for the 3 month period prior to the respective reporting date ending on January 31, April 30, July 31, and October 31 respectively. Each financial report shall detail the amount of money paid to each Community Provider for Tuition Assistance and certify that such Community Providers are Quality Preschool Programs with a 3, 4, or 5 star rating on Ohio's Step Up to Quality Scale, or as otherwise designated, as provided in Section 4A herein, and are in full compliance with Ohio Revised Code Sections 3313.646 and 3301.52 to 3301.57, as applicable.

Such quarterly financial reports shall also include detailed information on the amount of Quality Improvement Grants made and disbursed for the applicable reporting period and a status report on the applicable Quality Improvement Benchmarks for each Grant Agreement in place for each reporting period. Additional financial information or reports shall be supplied as required for the School District to comply with requirements of the Governmental Accounting Standards Board, Ohio Auditor of State, and generally accepted governmental accounting standards.

The School District and the United Way shall engage an outside Certified Public Accounting Firm to undertake an annual financial audit of the PEO's financial statements. The PEO shall provide the Board a copy of each annual audit within 30 days of the receipt of such audit by the PEO. The cost of the financial audit shall be included in the PEO's administrative costs.

#### *Student Participation and Educational Reporting Requirements*

The PEO shall provide to the School District monthly student participation reports for each Community Provider who has received Tuition Assistance during the applicable reporting period. The report shall minimally include the names and SSID of students attending the program, the students' enrollment date and exit date, the income adjuster, and the number of days/hours the student is enrolled in the program. The PEO shall establish attendance requirements and monitoring to ensure that students for whom each Community Provider is receiving Tuition Assistance are actually enrolled and attending the Community Provider's preschool program.

The School District and all Community Providers will provide the PEO with test results and other performance information, as determined necessary by the PEO to measure and assess the effectiveness of the Preschool Program.

Additional educational or demographic information or reports shall be supplied to the extent required by the Ohio Department of Education.

## **8. ANNUAL REPORT OF PROGRAMS, PROVIDERS, PERFORMANCE**

On July 15 of each year commencing July 15, 2017, the PEO shall provide an annual report on the services to be provided pursuant to this contract to the United Way and the School District. At a minimum, the annual report shall include:

- A summary profile of the students who benefitted from Tuition Assistance, including data reflecting income-level, race, and geographic participation,
- A summary profile of the Community Providers that have received Quality Improvement funding and the progress such Providers have achieved in increasing the Provider's Star-rating.
- Breakdown of the costs expended by the PEO, including the amounts spent on Tuition Assistance, Quality Improvement, administrative costs, and other costs.

At the conclusion of each school year, the parties shall also work together to evaluate the success of the program in accomplishing the goals outlined in the shared vision, and also to identify areas for growth in future school years.

## **9. DEFAULTS**

The parties agree that this Master Agreement may be terminated at any time if a party is in material breach or default of the Agreement, and such material breach continues after (1) detailed written notice of the reasons for such breach are delivered to the other party, and such party is given 30 days within which to cure such breach or object, in writing to the claim of such breach; (2) if a written objection to a claim of breach is made, the parties shall each designate 3 individuals who shall represent that party in mediation discussions designed to address and resolve the issue between the parties. If the parties are unable to address and resolve the issues between them within 30 days of the receipt of a written objection to a claim of breach, then either party may seek to involve the remedies provided for hereunder.

For the purposes of this Agreement, a material breach shall be defined to include the following:

- a) Action or a failure to act in one or more situations affecting the safety and/or welfare of students or personnel.
- b) Any material misrepresentation in the performance of services hereunder.
- c) Breach of or non-compliance with this Agreement or any representation or warranty made by the parties.

- d) Default by a party of any other agreement the party may have with the School District.
- e) Unauthorized action by a party to subcontract, encumber, assign or transfer the Master Agreement, either in whole or part other than as specified herein.
- f) A party making an admission in writing that the party is unable to pay its debts as they become due.
- g) Failure to follow applicable provisions of the Ohio Revised Code.

**10. REMEDIES.**

In the event the School District determines that the United Way and/or PEO is in default under the Master Agreement, and such default is not cured or restated within the period of time set forth in Section 9 above, the School District shall have the ability to terminate the Master Agreement, in whole or in part, in the event the PEO is the breaching party.

In the event the School District is in default under the Master Agreement, and such default is not cured within a reasonable period of time, the United Way and/or PEO shall have the ability to either (i) require specific performance by the School District of its obligations hereunder; or (ii) terminate the Master Agreement in whole or in part.

**11. NOTICES.**

Any notice or consent required or permitted to be given by or on behalf of either party to the other shall be given by mailing such notice or consent by United States certified or registered mail, postage prepaid and return receipt requested, or via a reputable express overnight mail service which provides proof of delivery addressed to the parties as set forth below or at such other address as may be specified from time to time in writing delivered to the other party. Notices shall be effective upon receipt or refusal, as the case may be.

To the School District:                   Cincinnati City School District  
                                                           CPS Education Center  
                                                           2651 Burnett Avenue  
                                                           Cincinnati, Ohio 45219  
                                                           Attn: General Counsel

To United Way:                               United Way of Greater Cincinnati  
                                                           2400 Reading Road  
                                                           Cincinnati, Ohio 45202  
                                                           Attn: President

with a copy to:                               Katz Teller  
                                                           255 East Fifth Street  
                                                           Cincinnati, Ohio 45202  
                                                           Attn: Mark Jahnke

To the PEO:                                   Cincinnati Preschool Promise  
                                                           2400 Reading Road  
                                                           Cincinnati, Ohio 45202

Attn: Michael J. Graham, S.J.

## 12. MISCELLANEOUS.

(a) **Representatives Not Individually Liable.** None of the representations, warranties, covenants, agreements or obligations of the School District shall be deemed to be a representation, warranty, covenant, agreement or obligation of any present or future officer, agent, employee or attorney of the School District in other than his or her official capacity. No official or employee of the School District shall have any personal interest, direct or indirect, in this Agreement, nor shall any such official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No official or employee of the School District shall be personally liable to United Way or the PEO, or any successor in interest, in the event of any default or breach by the School District or for any amount or amounts which may become due to United Way or the PEO or any successor to United Way or the PEO or on any obligations under the terms and conditions of this Agreement. None of the representations, warranties, covenants, agreements or obligations of United Way or the PEO shall be deemed to be a representation, warranty, covenant, agreement or obligation of any present or future officer, agent, employee or attorney of United Way or the PEO in other than his or her official capacity. No official or employee of United Way or the PEO shall have any personal interest, direct or indirect, in this Agreement, nor shall any such official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No official or employee of United Way or the PEO shall be personally liable to the School District, or any successor in interest, in the event of any default or breach by United Way or the PEO or for any amount or amounts which may become due to School District or any successor to the School District or on any obligations under the terms and conditions of this Agreement.

(b) **Relationship.** Nothing in this contract is intended to, or shall be deemed to, constitute a partnership or joint venture between the School District and the United Way and/or PEO, nor is any employer-employee relationship created hereby and it is understood and agreed that the relationship between vendor and the School District is and shall continue to be that of an independent contractor, and neither shall the United Way and/or PEO have the authority to act as agent for the School District. The United Way and/or PEO, nor any Community Provider, nor any other agents or representatives of the United Way and/or PEO shall not be entitled to receive School District employee benefits or Workers' Compensation coverage. It is further understood and agreed that the School District shall not be responsible for any state or federal withholding taxes or for FICA and State unemployment insurance for vendor, its agents or employees.

The parties further agree that no employee of United Way, the PEO, or any Community Provider is an employee of the School District, and, as such, shall not be eligible for SERS/STRS retirement benefits or any other benefits provided by the School District. The parties agree that services provided are temporary, extraordinary, and not services that are common to the daily operation of the School District.

(c) **Insurance.** At a minimum, the United Way and PEO shall maintain, at its own expense, the following insurance throughout the life of this contract:

(1) Workers' Compensation and Employers' Liability Insurance affording compensation benefits for all employees as required by law.

(2) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence for personal injury and property damage liability, with an annual aggregate limit of not less \$2,000,000. This policy shall name the Board as "additional insured."

The United Way and PEO shall provide not less than 30 days' written notice to the Board prior to any change in the terms and conditions of any insurance coverage or the cancellation, termination or expiration of any insurance coverage.

(d) **Severability.** In the event that any portions, sections or subsections of this Agreement are rendered invalid by the decision of any court or by the enactment of any law, ordinance or regulation, such provision of this Agreement will be deemed to have never been included therein and the balance of this Agreement shall continue in full force and effect.

(e) **Waiver.** No consent or waiver, express or implied, by any party to or of any breach of any covenant, condition, or duty of any other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty to be observed by any other party.

(f) **Authority.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties and their respective successors and permitted assigns. Each party to this Agreement hereby represents and warrants that it is executing this Agreement with the full and proper authority and that the parties whose names appear hereon are duly authorized and empowered to make and execute this Agreement.

(g) **Assignment.** This Agreement shall be binding on the parties hereto and no party shall be permitted to assign its obligations hereunder without the express written consent of all other parties, which consent maybe withheld in each parties' sole discretion.

**(h) Entire Agreement and Conflicts.** This Agreement (including the appendixes hereto) and any other agreements referred to herein contain the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, representations or agreements, written or oral, between them respecting the subject matter hereof, and contains all of the covenants, agreements, and other terms and conditions between the parties hereto with respect to the same. In the event that any of the provisions of this Agreement purporting to describe specific provisions of other agreements are in conflict with the specific provisions of such other agreements, the provisions of such other agreements shall control.

**(i) Amendments.** This Agreement may be amended only by a written amendment signed by all parties. No waivers, alterations, amendments or modifications of this Agreement or any agreements in connection therewith shall be valid unless in writing and duly executed by all parties hereto. Any substantial waivers, alterations, amendments or modifications of this Agreement will require the adoption of legislation by the Board of Education of Cincinnati City School District, Hamilton County, Ohio, which it exercises in its sole discretion and legislative prerogative.

**(j) Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. All actions regarding this Agreement shall be brought in the Hamilton County Court of Common Pleas. All parties agree that venue in such court is proper. The parties hereby waive trial by jury with respect to any and all disputes arising under this Agreement.

**(k) Language.** The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against any individual party. Section headings and/or captions in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting, or amplifying the provisions hereof. The School District, United Way and the PEO agree that in the event any term, covenant, or condition herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of such term, covenant, or condition shall in no way affect any other term, covenant, or condition herein contained.

**(l) Time.** Time is of the essence with respect to the performance by the parties of their respective obligations under this Agreement.

**(m) No Third Party Beneficiaries.** The parties hereby agree that no third party beneficiary rights are intended to be created by this Agreement.

**(n) Agency.** Notwithstanding anything herein to the contrary, where United Way or the PEO is identified herein as acting as the agent of the School District, such designation shall not impose any additional duties, liabilities or obligations upon United Way or the PEO outside or in addition to those specifically and expressly set forth in this Agreement.

(o) **Term.** This Agreement shall be effective upon the date signed by all parties and shall be effective through June 30, 2022 or until Preschool Levy Funds are exhausted whichever comes first, unless this Agreement is extended by mutual written agreement.

**Signature Page to Master Agreement for Preschool Services**

IN WITNESS WHEREOF, United Way has caused this Agreement to be duly executed by \_\_\_\_\_ its \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, the PEO has caused this Agreement to be duly executed by \_\_\_\_\_ its \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, and the School District has caused this Agreement to be duly executed by \_\_\_\_\_, its Superintendent on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, as authorized by Resolution No. \_\_\_\_\_, passed by the Board of Education on \_\_\_\_\_, 2017.

**UNITED WAY OF GREATER CINCINNATI,**

**CINCINNATI PRESCHOOL  
PROMISE, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Robert C. Reifsnyder

Name: Michael J. Graham, S.J.

Its: President / CEO

Its: Chairman

**BOARD OF EDUCATION CINCINNATI  
CITY SCHOOL DISTRICT**

By: \_\_\_\_\_

Name:

Its:

**APPENDIX A**  
**Existing Quality Preschool Programs**

**Include all CPS School sites and all currently-rated community provider sites.**

## **APPENDIX B**

### **FINANCIAL WORKING GROUP**

A Financial Working Group shall be established which shall consist of (1) the School District Treasurer / CFO, Assistant Treasurer, and financial staff as needed, (2) the United Way Chief Financial Officer, Controller, and financial staff as needed, and (3) representatives from the PEO Board, not more than one from each represented entity.

The Financial Working Group shall meet regularly to monitor the flow of funds from the School District to the United Way, the United Way to the PEO, and the PEO to Community Providers.

The Financial Working Group shall review the financial reporting obligations of the parties.