CONTRACTUAL AGREEMENT
Between
THE ILLINOIS STATE BOARD OF EDUCATION,
for its Innovations and Improvements Division,
And
THE VALLAS GROUP, INC. ("Contractor")

This Contractual Agreement (this "Agreement") is entered into by and between the Illinois State Board of Education ("ISBE") and the Vallas Group, Inc. ("Contractor"), (collectively, the "Parties", and each, a "Party") under the authority of the Illinois Procurement Code, 30 ILCS 500 et seq.

In view of the mutual covenants herewith contained, the Parties hereby agree as follows:

1. Performance of the Services. The Contractor shall perform all terms, conditions and provisions contained in Exhibit A attached hereto and elsewhere in this Agreement (collectively, the "Services") (i) with a high degree of skill, care and diligence, (ii) in accordance with the highest professional standards, and (iii) in accordance with the schedule of deliverables and timeline set forth in Exhibit A. The Contractor shall not discuss the Services it is providing hereunder or engage in any public relations activities, including but not limited to engaging the news media with regards to the Services, unless specifically requested to do so by the ISBE prior to undertaking those activities. The Contractor shall provide all personnel, materials and equipment necessary to undertake the Services and to fulfill the purposes of this Agreement. The Contractor will use personnel suitably qualified and experienced to perform the Services in accordance with the requirements of this Agreement. The Contractor shall be an independent contractor. Neither the Contractor nor its personnel or subcontractors shall be considered agents or employees of ISBE or the State.

2. Term. This Agreement shall become effective upon full execution and shall terminate on June 30, 2013 (the "Term"). The Term may be extended for up to one additional one-year periods or any part thereof at ISBE's sole discretion, contingent upon sufficient appropriations and satisfactory performance.

3. Payment, Expenses and Billing.
   a) Contract amount. For the due, proper and complete performance of the Services performed in accordance with this Agreement, ISBE shall compensate the Contractor a maximum amount not to exceed $311,250 (the "Contract Sum") from the effective date of the Agreement through June 30, 2013. The maximum amount available for any renewals or extensions of this Agreement shall not exceed $633,750 for any and all renewals for a maximum amount payable under this Agreement, including the initial Term and any extensions or renewals shall not exceed $945,000.
   b) Invoices. For the period from the effective date through and including June 30, 2013, Contractor shall submit invoices in accordance with Exhibit C (Payment Schedule). Invoices shall be submitted to the contact person and address listed in Paragraph 26 (a). The invoice shall be accompanied by a listing of the Services completed, together with such other supporting documentation as ISBE may reasonably request. Contractor must submit all claims for Services performed in any fiscal year by July 15 following such fiscal year and any sums owing to Contractor for Services performed or expenses incurred not so claimed by Contractor shall not thereafter be claimable. If ISBE, in good faith, deems any deliverable or any Services required of the Contractor to not meet the requirements of this Agreement, it may withhold payment billed by the Contractor until such insufficiency is corrected to ISBE's satisfaction.
   c) Total Compensation. The Contractor agrees that the amounts set forth in this Paragraph 3
represents the total amount of compensation to which the Contractor is entitled for the Services and any of the Contractor’s other undertakings in this Agreement.

d) Final Payment. Pursuant to 30 ILCS 500/35-20(c)(5), a post-performance contract review will be undertaken by the ISBE Procurement Officer, or designee, which shall include, but not be limited to, a review of billings and Contractor’s performance in accordance with the agreement.

4. Subcontractor.
a) Designation of Subcontractors. As of the effective date of this Agreement, the following subcontractor is expected to perform work pursuant to this Agreement and to be paid with funds provided for hereunder:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Anticipated amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creg E. Williams, Ed.D</td>
<td>24 E Grandview Drive</td>
<td>FY 13 $50,000</td>
</tr>
<tr>
<td>Daily rate: $1,000</td>
<td>South Holland, IL 60473</td>
<td>FY 14 $50,000</td>
</tr>
<tr>
<td>Diane Grigsby Jackson, MPA</td>
<td>3115 West Columbia Avenue</td>
<td>FY 13 $50,000</td>
</tr>
<tr>
<td>Daily rate: $1,000</td>
<td>Chicago, IL 60645</td>
<td>FY 14 $50,000</td>
</tr>
<tr>
<td>Cozette Buckney, Ed.D.</td>
<td>801 S. Plymouth Court #103</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $900</td>
<td>Chicago, IL 60605</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Don Kennedy, CPA, MA</td>
<td>323 Fairfield Avenue #213</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $900</td>
<td>Bridgeport, CT 06601</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Cecilia P. Cannon, M.E.</td>
<td>344 Ballymore Road</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $900</td>
<td>Springfield, PA 19064</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Armando Almendarez, M. Ed</td>
<td>1717 S. Prairie Avenue #1005</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $800</td>
<td>Chicago, IL 60616</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Lavonne Sheffield, Ph.D.</td>
<td>2143 Davista Drive</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $1,000</td>
<td>Highland Township, MI 48356</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Siona LaFrance</td>
<td>2311 St. Nick Drive</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $500</td>
<td>New Orleans, LA 70131</td>
<td>FY 14 $20,000</td>
</tr>
<tr>
<td>Jay Ginsburg, J.D.</td>
<td>715 Girod Street, Ste. 200</td>
<td>FY 13 $20,000</td>
</tr>
<tr>
<td>Daily rate: $1,000</td>
<td>New Orleans, LA 70130</td>
<td>FY 14 $20,000</td>
</tr>
</tbody>
</table>

If during the term of this Agreement, the Contractor wants to retain additional subcontractors to be paid with funds provided by this Agreement, the Contractor will obtain ISBE’s prior written approval, comply with the provisions of Public Act 96-0795, and the Parties will file a contract amendment with the Comptroller stating the names and addresses and an anticipated amount of payment of each subcontractor. The Contractor shall retain responsibility for the performance of the Services by its subcontractors. Any request to retain subcontractors must contain:

- name(s) and address(es) of subcontractor(s);
- need and purpose for subcontracting;
- measurable and time-specific services to be provided;
- associated costs, i.e., amounts to be paid under subcontracts;
- Federal Employer Tax Identification Number for each subcontractor.

If contractor chooses to subcontract with an entity for more than $25,000 annually, the contract between the contractor and their subcontractor that was proposed on the proposal must contain the standard certifications and disclosures and conflicts of interest. ISBE must have a copy of each subcontract the contractor has listed on their proposal within twenty (20) days of execution of the contract between ISBE and Contractor or after execution of the subcontract whichever is later. In addition, Standard Certifications and Disclosures and Conflicts of Interest must be completed and signed by any subcontractor with a subcontract for more than $25,000 annually.
b) **Subcontractor Requirements.** By appropriate written agreement, the Contactor shall require each subcontractor, to the extent of the Services to be performed by such subcontractor, to assume toward the Contactor all of the obligations and responsibilities which the Contactor, by this Agreement, assumes toward ISBE. The Contactor shall be responsible to ISBE for acts and omissions of the Contactor, its subcontractors, their respective agents and employees, and any other persons performing portions of the Services, or claiming by, through, or under the Contactor, and shall be responsible to ISBE for any damages, losses, costs, or expenses resulting from such acts or omissions. Each subcontract agreement for a portion of the Services is hereby assigned by the Contactor to ISBE provided that the assignment is effective only after termination of this Agreement by ISBE by reason of a Contactor Default, and only for those subcontract agreements which ISBE accepts by notifying the subcontractor in writing. The Contactor shall execute and deliver to ISBE any instruments reasonably required by ISBE to confirm and evidence any of the preceding contingent assignments. Each subcontract agreement for a portion of the Services shall contain a provision specifically identifying ISBE as a third party beneficiary of such subcontract.

5. **Reporting.** During the Term, the Contactor will provide quarterly progress reports due to ISBE on the 1st of September, December, March, and June. The Contactor will also provide a listing of the Services completed as an accompaniment to all invoices sent to ISBE for payment together with such other supporting documentation as ISBE may reasonably request.

6. **Rights to Work Product.**
   a) **Definitions.**
   1. "Custom Work Product" means the resulting software (including all functional and technical designs, programs, modules, code, algorithms, flowcharts, data diagrams, documentation, and the like) and other data, materials, and products created by the Contactor on behalf of ISBE and in furtherance of the Services.
   2. "Embedded Software" means any preexisting software owned by the Contactor or by any third party and incorporated or embedded into the Custom Work Product.
   3. "Generic Components" means the software/programming tools developed generally by the Contactor to support the Custom Work Product and which (a) can be used in Web sites and systems other than the Custom Work Product developed hereunder, and (b) can be used completely free of the Custom Work Product Content, and (c) do not embody or convey the look and feel of the Custom Work Product developed hereunder.
   b) **Ownership of Custom Work Product.** ISBE shall own all rights, title, and interest to any Custom Work Product. The Contactor expressly acknowledges and agrees that all such Custom Work Product constitutes "work made for hire" under the Federal copyright laws (17 U.S.C. Sec. 101) owned exclusively by ISBE, and alternatively, hereby irrevocably assigns all ownership or other rights it might have in Custom Work Product to ISBE. The Contactor shall sign such documentation as may be reasonably requested by ISBE to insure that title to the Custom Work Product is vested in ISBE. If by operation of law any of the Custom Work Product, including all related intellectual property rights, is not owned in its entirety by ISBE automatically upon creation thereof, the Contactor agrees to assign, and hereby assigns to ISBE and its designees, the ownership of such Custom Work Product, including all related intellectual property rights.
   c) **License to Embedded Software.** Except as otherwise specifically set forth in the Proposal, (i) the Agreement conveys no ownership rights to ISBE with respect to Embedded Software, and (ii) ISBE is granted a paid-up, worldwide, perpetual, nonexclusive license to use the Embedded Software strictly as an integral part of, and in conjunction with, ISBE's use of the Custom Work Product and for no other purpose. Any use of embedded software must have the prior written approval of ISBE.
d) Ownership of Generic Components. ISBE shall own all rights, title, and interest to any Generic Components to the Custom Work Product. The Contractor expressly acknowledges and agrees that all such Generic Components constitutes "work made for hire" under the Federal copyright laws (17 U.S.C. Sec. 101) owned exclusively by ISBE, and, alternatively, hereby irrevocably assigns all ownership or other rights it might have in the Generic Components to ISBE. The Contractor shall sign such documentation as may be reasonably requested by ISBE to insure that title to the Generic Components is vested in ISBE. If by operation of law any of the Generic Components, including all related intellectual property rights, is not owned in its entirety by ISBE automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to ISBE and its designees the ownership of such Generic Components, including all related intellectual property rights.

7. Confidential Information.
   a) Acknowledgment of Confidentiality. Each Party hereby acknowledges that it may be exposed to confidential and proprietary information of the other Party including, without limitation, other technical information (including functional and technical specifications, designs, drawings, analysis, research, processes, computer programs, methods, ideas, "know how" and the like), business information (sales and marketing research, materials, plans, accounting and financial information, personnel records and the like) and other information designated as confidential expressly or by the circumstances in which it is provided ("Confidential Information"). Confidential Information does not include (i) information already known or independently developed by the recipient, (ii) information in the public domain through no wrongful act of the recipient, or (iii) information received by the recipient from a third party who was free to disclose it.

   b) Covenant Not to Disclose. With respect to the other Party’s Confidential Information, the recipient hereby agrees that during the term of this Agreement and at all times thereafter it shall not use, commercialize or disclose such Confidential Information to any third party, which includes but shall not be limited to engaging in public relations activities or providing statements to the media, without the other Party’s prior written approval; provided, that all such recipients shall have first executed a confidentiality agreement in a form acceptable to the owner of such information. Neither Party nor any recipient may alter or remove from any software or associated documentation owned or provided by the other Party any proprietary, copyright, trademark or trade secret legend. Each Party shall use at least the same degree of care in safeguarding the other Party’s Confidential Information as it uses in safeguarding its own confidential information.

   c) Student Records. The Contractor will comply with the relevant requirements of the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and the Illinois School Student Records Act (ISSRA) (105 ILCS 10/1 et seq.), regarding the confidentiality of student “education records” as defined in FERPA and “school student records” as defined in ISSRA. Any use of information contained in student education records to be released must be approved by ISBE. To protect the confidentiality of student education records, the Contractor will limit access to student education records to those employees who reasonably need access to them in order to perform their responsibilities under this Agreement. Any student records disclosed shall not be archived, stored or retained in any manner and shall not be retained for any period longer than the Term of the Agreement.

8. Correction of Deficient Services. Prior to the expiration of the Term, the Contractor shall, at its earliest opportunity and its sole cost and expense, correct any Services which are defective or deficient or otherwise contain or reflect errors or omissions.
For one calendar year following the Term of this Agreement, a Custom Work Product created by the Contractor will function substantially in accordance with the representations and requirements set forth in Exhibit A attached to this Agreement. However, no warranty of the fitness of the product created shall apply if ISBE or any third party makes any addition or modification to the Custom Work Product not contemplated by the Parties in connection with such Custom Work Product.

9. Default and Termination.

a) Termination for Convenience: ISBE may terminate this Agreement upon five (5) days written notice to the Contractor. Such notice shall be sent to the address set forth for notice by over-night delivery or certified mail, return receipt requested. In the event of such notice of termination from ISBE to the Contractor, the Contractor shall have the right to perform all Services scheduled to be performed during the period covered by such notice and to be fully and fairly compensated therefore. ISBE shall have the right to receive so much of the work product as has been created by the Contractor through the effective date of the notice of termination, and may, at its election, procure such work as may be necessary to complete the Services from other contractors.
b) Contractor Default: The occurrence of any one or more of the following matters constitutes a default by the Contractor under this Agreement (a "Contractor Default"):

   1. The Contractor becomes insolvent or generally fails to pay, or admits in writing its inability or unwillingness to pay, its debts as they become due;
   2. Contractor makes a general assignment for the benefits of its creditors;
   3. The Contractor shall commence or consent to any case, proceeding or other action (a) seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Contractor or of the Contractor's debts under any law relating to bankruptcy, insolvency, reorganization or relief of debts, or (b) seeking appointment of a receiver, trustee or similar official for the Contractor or for all or any part of the Contractor's property;
   4. Any case, proceeding or other action against the Contractor shall be commenced (a) seeking to have an order for relief entered against the Contractor as debtor, (b) seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Contractor or the Contractor's debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or (c) seeking appointment of a receiver, trustee, or similar official for the Contractor or for all or any part of the Contractor's property;
   5. The breach of any representation, certification or warranty made by the Contractor herein or the Contractor's failure to comply with any provision of this Agreement;
   6. The Contractor attempts to assign, convey or transfer this Agreement or any interest herein without ISBE's prior written consent.

c) Upon the occurrence of a Contractor Default ISBE may, without prejudice to any other right or remedy ISBE may have under this Agreement or at law and/or in equity, terminate the Agreement and/or the Contractor's right to perform Services under this Agreement. In either such case, ISBE may finish the Services by whatever method ISBE may deem expedient. Any damages incurred by ISBE as a result of any such Contractor Default shall be borne by the Contractor at its sole cost and expense, shall not be payable as part of the contract amount, and shall be reimbursed to ISBE by the Contractor upon demand.

10. Indemnification. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless ISBE, the State of Illinois, and their respective agents, officers and employees from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), property damage, causes of action, losses, costs, expenses, damages or penalties, including, without limitation, reasonable defense costs, reasonable legal fees, and the reasonable value of time spent by the Attorney General's Office, arising or resulting from, or
occasioned by or in connection with (i) any bodily injury or property damage resulting or arising from any act or omission to act (whether negligent, willful, wrongful or otherwise) by the Contractor, its subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable; (ii) failure by the Contractor or its subcontractors to comply with any Laws applicable to the performance of the Services; (iii) any breach of this Agreement, including without limitation, any representation or warranty provided by the Contractor herein; or (iv) any infringement of any copyright, trademark, patent or other intellectual property right.

11. Insurance. The Contractor shall maintain insurance policies in sufficient amounts to protect ISBE from liability for acts of the Contractor and risks and indemnities assumed by the Contractor. Such policies shall include, without limitation, the following:

a) A broad form Commercial General Liability Insurance policy, including a waiver of subrogation endorsement in favor of ISBE, and endorsements adding, at a minimum, the following coverages: Premises and Operations Liability, Personal Injury Liability (with employee and contractual exclusions deleted), Broad Form Property Damage Liability, Broad Form Contractual Liability supporting the Contractor’s indemnification agreements in favor of ISBE, Completed Operations and Products Liability for a period of not less than three (3) years following the date of final payment hereunder, and Independent Contractor’s Protective Liability. The Commercial General Liability Policy must be written with a combined single limit of liability of not less than $1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than $1,000,000 for Completed Operations and Products Liability.

b) A Comprehensive Automobile Insurance Policy providing coverage for all owned, hired, rented, leased and non-owned automobiles, written with a combined single limit of liability of not less than $500,000 for each occurrence of bodily injury and/or property damage.

c) A Workers’ Compensation Insurance Policy in an amount not less than the statutory limits (as may be amended from time to time), including Employer’s Liability Insurance with limits of liability of not less than (i) $500,000 for bodily injury by accident, each accident, (ii) $500,000 for bodily injury by disease, each employee, and (iii) $500,000 aggregate liability for disease.

d) A Professional Liability Insurance Policy including, without limitation, a waiver of subrogation endorsement in favor of ISBE. The Professional Liability Insurance Policy must be written with a limit of liability of not less than $1,000,000 for each claim, and not less than $1,000,000 in the aggregate on an annual basis, for errors, omissions or negligent acts arising out of the performance of (or the failure to perform) professional services hereunder such as, but not limited to, systems analysis, system design, programming, data processing, consulting, system integration, and information services. The Professional Liability coverage shall include contractual liability coverage in support of the Contractor’s indemnification agreements in favor of ISBE, shall be written on a “claims made” basis, and must be maintained for a period of not less than three (3) years following the date of final payment to the Contractor for all Services.

Upon execution of this Agreement, the Contractor shall provide copies of certificates of insurance evidencing the coverage described in this Section. The policies specified above shall be placed with insurance companies reasonably acceptable to ISBE, shall name ISBE and its board members, officers and employees as additional insureds (excluding the Worker’s Compensation Policy and Automobile Insurance Policy), and shall incorporate a provision requiring the giving of notice to ISBE at least thirty (30) days prior to the cancellation, non-renewal or material modification of any such policies. Unless otherwise agreed to in writing by ISBE, the Contractor shall cause all of its subcontractors to purchase and maintain insurance coverage identical to those required of the Contractor hereunder.
12. **Key Persons.** The Parties agree that availability of and performance of Services by Paul G. Vallas are key to the satisfactory performance of this Agreement by the. The Contractor shall not substitute for key personnel assigned to the performance of this Agreement without prior written approval from the ISBE project manager except as follows:

a) ISBE may request at any time the removal of (and the Contractor will remove) any individual performing Services if ISBE: (1) reasonably believes that individual is not qualified to perform the Services or tasks required of that individual; and (2) previously provided the Contractor with prior written notice of the problem and a reasonable opportunity to remedy the situation.

b) Should any of the said key individuals cease employment with the Contractor during the Term or become unavailable to perform the work assigned to them, the Contractor shall immediately notify ISBE in writing of such occurrence. The parties shall promptly confer and determine and provide for the basis upon which the Contractor shall assure satisfactory performance of the required work. They shall verify their understandings in writing and retain a record of such verification as part of the record of the Contractor’s performance of this Agreement.

13. **Non-availability of Funding.** Obligations of ISBE will cease immediately without penalty of further payment being required if in any fiscal year sufficient funds for this Agreement are not appropriated by the Illinois General Assembly or a federal funding source, or such funds are otherwise not made available to ISBE for payments in accordance with this Agreement.

14. **Record Keeping.** The Contractor and its subcontractors shall maintain books and records relating to performance of the Agreement or subcontract and necessary to support amounts charged to the State under the Agreement or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three (3) years from the later of the date of final payment under the Agreement or completion of the Services, and by the subcontractor for a period of three (3) years from the later of the date of the final payment under the subcontract or completion of the subcontract. The 3-year period shall be extended for the duration of any audit in progress during the term. Books and records required to be maintained under this section shall be available for review or audit by representatives of the Auditor General, chief procurement officer, internal auditor, the purchasing agency (ISBE), and other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. The Contractor and its subcontractors shall cooperate fully with any such audit. Failure to maintain books and records required by this Paragraph shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the Agreement for which adequate books and records are not available to support the purported disbursement. The Contractor shall not impose a charge for audit or examination of the Contractor’s book and records.

15. **Compliance with Laws.** The Contractor shall comply, and shall cause its subcontractors to comply, with all existing and future laws, regulations, rules, ordinances, orders and decrees (collectively, “Laws”) which are applicable to the Services. The Contractor shall secure and pay for all registrations, licenses, certifications or approvals which relate to the provision of the Services. If the Contractor should discover any discrepancy or inconsistency between the requirements of any Laws and the scope or nature of the Services, the Contractor shall immediately notify ISBE in writing of such discrepancy or inconsistency and shall conform its Services to any subsequent orders or instructions of ISBE.

16. **Cumulative Rights.** Except as otherwise provided in this Agreement, rights and remedies available to ISBE and/or the Contractor as set forth in this Agreement shall be cumulative with and in addition to, and not in limitation of, any other rights or remedies available to such Parties
at law and/or in equity, and any specific right or remedy conferred upon or reserved to ISBE and/or the Contractor in any provision of this Agreement shall not preclude the concurrent or consecutive exercise of a right or remedy provided for in any other provision hereof.

17. **No Waiver.** No course of dealing or failure of ISBE and/or the Contractor to enforce strictly any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. No express waiver of any term, right or condition of this Agreement shall operate as a waiver of any other term, right or condition.

18. **Assignment.** The Contractor may not assign or transfer this Agreement in whole or in part without the prior written approval of ISBE.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any claim against the State or ISBE arising out of this Agreement must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any Contract dispute. The State of Illinois does not waive sovereign immunity by entering into this Contract. In compliance with the Illinois and federal Constitutions, the Illinois Human Rights Act, the US Civil Rights Act, and Section 504 of the federal Rehabilitation Act and other applicable laws and rules the State does not unlawfully discriminate in employment, contracts, or any other activity.

20. **Website Incorporation.** ISBE expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless ISBE has actual knowledge of such content and has expressly agreed to be bound by it in a written agreement that has been manually signed by an authorized representative of ISBE.

21. **Solicitation and Employment.** Contractor shall not employ any person employed by the Illinois State Board of Education during the term of this contract to perform any work under this Contract. Contractor shall give notice immediately to the Agency's applicable Division Administrator and General Counsel if Contractor solicits or intends to solicit Illinois State Board of Education employees to perform any work under this contract.

22. **Background Check:** The Contractor shall perform background checks on any individual or subcontractor assigned to the contract before he or she begins work under the following circumstances:

- If the job duties require driving, then a motor vehicle records check is required.
- If the job duties include responsibility for initiating or affecting financial transactions, then a credit history check is required.
- If job duties include entering a school or interaction with children, then a sexual offender registry check is required.

The Contractor must follow all state and federal laws when conducting background checks, including but not limited to the Fair Credit Reporting Act requirements. The successful bidder(s) shall notify the State Board of Education of any information discovered in the background checks that may be of potential concern for any reason. The State Board of Education may conduct its own background checks on principals of the successful bidder(s) as the State Board of Education deems appropriate. By operation of the public records law, background checks conducted by the State Board of Education are subject to public review upon request. ISBE retains the right to cancel this contract in the event background checks reveal irregularities.
23. Ethics Training. The Contractor shall, at least annually, at the time and in a form chosen by ISBE in its sole discretion, complete ethics training pursuant to the State Officials and Employees Ethics Act, 5 ILCS 430/1 et. seq., sign a form acknowledging the completion of such training, and submit such form to ISBE's Ethics Officer by a date determined by ISBE on an annual basis.

24. Anti-Trust Assignment: If Contractor does not pursue any claim and cause of action it has arising under federal or state antitrust laws relating to the subject matter of the Contract, then upon request Contractor shall assign to the State all right, title and interest in and to the claim or cause of action.

25. Stevens Amendment. Contractor acknowledges it is subject to the provisions of Section 511 of P.L. 101-166 (the "Stevens Amendment") due to the use of 100% federal funds for this program. All announcements and other materials publicizing this program must include statements as to the amount and proportion of federal funding involved.

   a) Notices. All notices, billings or other correspondence required to be given to either Party pursuant to this Agreement shall be sent by mailed or delivered to the following addresses:

   Illinois State Board of Education
   Attn: Monique Chism
   Division Administrator, N-242
   100 North First Street
   Springfield, IL 62777

   The Vallas Group, Inc.
   Attn: Paul Vallas Care of:
   Diane Grigsby Jackson
   3115 West Columbia Avenue
   Chicago, IL 60645

   b) Amendment. This Agreement may only be amended in writing signed by both Parties.
   c) Entirety. This Agreement, together with the Exhibits attached hereto, constitutes the entire Agreement between the Parties with respect to the subject matter hereof, and supersedes any other negotiations, agreements or communications, whether written or oral, that have been made by either Party. The intent of the Agreement is to include items and services necessary for the proper execution and completion of the Services by the Contractor, including, without limitation, all such items and services which are consistent with, contemplated by, or reasonably inferable from the Agreement, whether or not such items and services are specifically mentioned herein.
   d) Construction/Order of Documents. The Parties agree that in determining their rights and obligations to each other, the following order of precedence shall govern in the event of any conflict or inconsistency among the documents constituting this Agreement:
      i. This Agreement, excluding the Exhibits;
      ii. Exhibit A and C
      iii. Exhibit B

   In the event of any conflict or inconsistency among the documents contained within an Exhibit, those provisions of ISBE's Request for Sealed Proposal, identified and/or set out in the Exhibit shall be controlling.
   e) Severability. In case any provision in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.
   f) Time is of the Essence. Time is of the essence of this Agreement.
   g) Cumulative Rights. Except as otherwise provided in this Agreement, rights and remedies available to ISBE and/or the Contractor as set forth in this Agreement shall be cumulative with and in addition to, and not in limitation of, any other rights or remedies available to such Parties
at law and/or in equity, and any specific right or remedy conferred upon or reserved to ISBE and/or the Contractor in any provision of this Agreement shall not preclude the concurrent or consecutive exercise of a right or remedy provided for in any other provision hereof.
h) Authority to Execute. Each Party represents and warrants to the other that this Agreement has been duly authorized, executed and delivered by and on behalf of each such Party, and constitutes the legal, valid and binding agreement of said Party.
i) Certifications and Assurances. The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/5-1-75) and all of the terms, conditions and provisions of those Sections apply to this Agreement the same as though they were incorporated and included herein. The Contractor represents and warrants that all of the certifications and assurances set forth on Exhibit D attached hereto are and shall remain true and correct.
j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.
k) Exhibits. The following Exhibits are hereby incorporated into this Agreement by this reference and expressly made a part of this Agreement.

EXHIBIT A - SCOPE OF SERVICES
EXHIBIT B - CONTRACTOR DELIVERABLES
EXHIBIT C - PAYMENT SCHEDULE
EXHIBIT D - CONTRACTOR CERTIFICATIONS

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year set forth below.

Illinois State Board of Education

Christopher A. Koch, Ed.D. Date
State Superintendent of Education
Illinois State Board of Education

Robert Wolfe, CPA Date
Chief Financial Officer

The Vallas Group, Inc.

Paul Vallas
Chief Operating Officer

Date: 8/22/12

Nicki Baxter Date
General Counsel

Date: 8/22/12
Exhibit A
Scope of Services

Exhibit A consists of the following:

- ISBE's Request for Sealed Proposals: Coordination of Interventions in Low-Performing School Districts, as amended; and
- Contractor's Proposal

Scope of the Work

Contractor agrees that, notwithstanding its Proposal, Contractor must fulfill the requirements of ISBE's RFSP.

The Illinois State Board of Education (ISBE) is increasing its efforts to intervene in low-performing schools, particularly those that have not made Adequate Yearly Progress for seven years or more. In many of these schools, fewer than 20 percent of the students are meeting the Illinois Learning Standards (http://www.isbe.net/ils/Default.htm), with some schools reporting that less than 10 percent of their students meet these benchmarks.

Currently, ISBE staff and others provide myriad assistance and support to school districts with low-performing schools through its Statewide System of Support (http://www.isbe.net/ssis/htmls/state_sys_support.htm) initiative. Additional funding and support also is available to school districts with low-performing schools through the competitive federal School Improvement Grant, authorized under Title I, Part A, of the Elementary and Secondary Education Act.

In extraordinary circumstances, certain districts with persistently low-performing schools have required a greater level of state-directed interventions to improve the academic success of their students (http://www.isbe.net/intergov_agmts/default.htm). In order to improve student outcomes in these schools, ISBE entered into intergovernmental agreements with their districts, an arrangement that provides a greater level of scrutiny, intervention and oversight that is necessary to improve student achievement.

The purpose of this RFSP is to enter into a contract with one or more entities for the services of one or more high-quality, knowledgeable individuals who can assist ISBE in its various initiatives aimed at school districts with low-performing schools. These individuals may be either employees of the contractor or a person or entity with whom the primary contractor enters into a subcontract to provide the services required under this RFSP. The individuals assigned to the work of the contract will report to the State Superintendent of Education or other senior staff, as applicable, and under their direction will be assigned to conduct the following tasks:

1. Assist ISBE with the coordination of state-level interventions in one or more identified school districts with persistently low-performing schools. As part of this coordination responsibility, the individuals or subcontractors will visit the identified school districts; ensure coordination of the various interventions and school improvement efforts being implemented in the school districts; serve as a liaison to the State Superintendent with regard to any interventions employed in these school districts; work closely with each school district's board of education and administration on budget, personnel, contracting and other matters; and attend all meetings of each school district's board of education.
2. Assist school districts participating in other initiatives specific to education reform and improvement. The individuals or subcontractors would help one or more participating school districts develop a plan of work that achieves the goals and purpose of these initiatives; work with these school districts to track their progress in implementing the activities outlined in their work plans; and help the school districts track and measure their success in meeting their goals and those of the initiatives.

3. Collect and monitor data and performance objectives from school districts in which the ISBE has intervened and from school districts participating other educational reform or school improvement programs and present such information and analyses to state and local personnel as required.

Individuals or subcontractors assigned to the work of this contract will may be required to work at ISBE’s location in Springfield or Chicago and will be required to observe ISBE’s holiday schedule.

Qualifications of Personnel: Bidders must propose the services of at least three individuals and/or subcontractors capable of conducting the work required under this RFSP and who meet the minimum qualifications listed below:

- Has earned a master's or doctorate degree in education, accounting, finance, business, or a related field, or who holds a Certified Public Accountant certification issued by the Illinois Board of Examiners (see http://www.ilboa.org/faqs/Certification);

- Has been employed as or has experience in one or more of the following:
  - as a regional superintendent;
  - as a school district superintendent;
  - as a school district assistant superintendent;
  - as a school principal;
  - as a school district business manager or school district chief financial officer;
  - conducting audits of school district financial statements for the purpose of issuing an opinion; and/or
  - working with school districts under a Financial Oversight Panel or School Finance Authority as defined by 105 ILCS 5/Art. 1B and 105 ILCS 5/Art 1F; and

- Has demonstrated success working with school district superintendents and local boards of education, particularly in areas related to advancing district and school improvement (both academically and financially). Examples of relevant experience may include but are not limited to:
  - providing consultation and technical assistance with the development, submission, and implementation of a district or school improvement plan or restructuring plan;
  - providing guidance and recommendations to local boards and officials of school districts in developing financial plans and budgets;
  - making recommendations regarding financial internal controls and accounting systems;
  - assisting in the development of staffing plans and budgetary analyses; and
  - preparing and/or reviewing monthly financial reports and making recommendations designed to align district practices to its financial plan.

No individual or subcontractor shall be assigned to the work of the contract without specific written approval of ISBE.
Contractor’s Proposal

Led by Paul G. Vallas, the Vallas Group is an internationally recognized cohort of public education experts that has led successful school reform efforts in several large U.S. school districts as well as in two foreign countries. Based in Chicago, Illinois, The Vallas Group provides Assessment Services, Strategic Planning, on-site Executive Leadership Development/Coaching and Content Expertise, all of which is focused on dramatically raising student performance in underperforming schools and districts.

CEO Paul Vallas has been responsible for the academic turnaround of three of the country’s most challenging school districts. During his management of both direct-run and charter school systems, his districts have achieved 17 years of consecutive improvement on student standard test scores. Vallas’ reforms have been implemented without ever giving rise to a work stoppage, strike, labor lawsuit, or teacher backlash. His initiatives and results have won praise from multiple Presidents of the United States and U.S. Secretaries of Education. On the international front, The Vallas Group has worked with the Inter-American Development Bank and the President of Haiti to rebuild schools in Haiti following the devastating 2010 earthquake, and to develop and implement a plan to create that country’s first-ever functioning public school system, including the development of a 21st century curriculum for Haitian children. The Vallas Group’s second international assignment was a recent project to turn around the 1,100 lowest performing primary schools in Chile.

Members of The Vallas Group have successfully created and led major school reform efforts in Chicago, Philadelphia, New Orleans, St. Louis, Bridgeport, Chile, and Haiti. Various Vallas Group team members have served as Superintendents, Chief Education Officers, Chiefs of Staff, and CFOs in school districts around the country. The Vallas Group will work with the school districts assigned to it by the Illinois State Board of Education (“ISBE”) to create and implement a Comprehensive School Reform Plan with the objective of implementing sustainable improvements in all district schools and the institutionalization of new Academic, Financial, and Management Models. Core to the Vallas approach is the implementation of measurable educational and financial accountability. The Vallas Group has had success in leading reform in some of the country’s most challenging urban districts.

OUR MEASUREMENT OF SUCCESS:
1. There is substantive, measurable, academic and school climate improvement at the local school level.
2. The budget is balanced and a solid five-year financial plan is in place.
3. Resources have been shifted into the classroom and into local school based reforms.
4. A comprehensive school improvement strategy has been implemented at the local school level.
5. A human capital system has been established to eliminate teacher shortages, increase teacher certification and recruit and incubate new school providers and managers.

CONTRACTORS QUALIFICATIONS

Louisiana/New Orleans (Recovery School District of Louisiana “RSDLA”):

- Inherited a budget deficit that was 50% reliant on one-time federal hurricane recovery dollars. Eliminated reliance on federal recovery dollars and left the district in 2011 with a
balanced budget, while implementing a $2 billion capital improvement project.

- Raised Combined District Performance Scores almost 20%, double the statewide increase.
- In 2005 more than 62% of New Orleans K-12 students were attending failing schools. By 2010, that percentage dropped to less than 20%.

Progress in Orleans Parish Based on School Performance Scores (SPS)

- Decreased the annual dropout rate by 34% in Louisiana and 50% in New Orleans.
- Mandated an extended school day and year, while creating the nation’s first 100% school choice and site selection district.
- Designed and opened the district's own alternative teacher certification program to recruit and train teacher and teacher leader candidates.
- Created, trained and dispatched school improvement teams to intervene (outside of New Orleans) in failing schools that could not be chartered. These teams provided principal training, School Leadership Team ("SLT") development and school improvement models. For state assessment purposes those schools are classified as a single district. Over the last two years, that district (RSD-LA) has ranked as the third fastest improving school district statewide in Louisiana.

Although the RSD Assumed Responsibility for the Lowest Performing Schools in the State, Gains Have Far Outpaced State Averages.
Philadelphia:

- Inherited a $126 million budget deficit. Balanced five out of six budgets and left the district with less than a $500,000 deficit and almost zero reliance (-1%) reliance on one-time monies.
- Implemented a $1.7 billion capital improvement project.
- Recruited and managed a network of school improvement teams to intervene in schools failing to make Adequate Yearly Progress ("AYP"), trained principals and provided them with school improvement plan models. In 3 years the number of schools achieving AYP grew from 22 to 163 schools.
- Under the leadership of Paul Vallas, and members of the Vallas Group team, the percentage of students advanced or proficient in reading and math for all grades increased during our tenure with the School District of Philadelphia.
Chicago:
- Inherited a projected 5-year $1.2 billion budget deficit. Balanced six consecutive budgets and left the district with $330 million in reserves and earned 12 bond upgrades.
- Implemented a $3 billion capital improvement project.
- Streamlined and reorganized the central office administration.
- First superintendent to use value-added assessments to measure school progress and to mandate specific interventions for struggling students.
Elementary reading scores are at their highest since prior to 1990 (2001 scores use 2000 norms)

Bottom Quartile in Reading

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</table>

ELEMEN
tARY SCHOOL MATH SCORES
(2001 scores use 2000 norms)

Elementary reading scores are at their highest since prior to 1990 (2001 scores use 2000 norms)
NARRATIVE DESCRIPTION OF THE PROPOSED WORK

**Deliverable #1: Conduct Comprehensive Quality Reviews**

At the initiation of service, a discovery team is assembled to assess:
- Quality of Academic Programs
- Organization and Management Structure
- Financial Health and Capacity of the System
- Human Capital Resources and Planning

The discovery team will aggregate available data with observations gained during on-site evaluations before making recommendations that address the goals and priorities of the ISBE. Care is taken to take into consideration political, institutional and financial obstacles to reform and/or takeover.

**Deliverable #2: Develop Project Work Plan**

"Improving Low Performing Schools by Revamping Institutional Practices."

There are certain common best practices and supports that when implemented, are proven to result in improved academic performance. Developing a plan to implement these best practices with fidelity in the lowest performing schools first, and district-wide second, starting in 2012-2013 school year is a the most critical component of the district reform plan. These practices and supports are as follows:

- Identify and select proven curriculum and instructional models in the core subject areas, including language arts, math, and science. Ensure alignment with the state standards (Common Core Standards) for all grades. Ensure districts are utilizing only curriculum support resources that have been proven most effective based on student outcomes.
• Increase adoption of instructional delivery through multiple mediums that do not dilute rigor but can increase scalability, including online delivery.

• Create and implement our proven school-based leadership team model, based on the USA TAP model. These school-based leadership teams, led by the principal and consisting of the best teachers, will provide guidance, mentoring and support to the schools' instructional staff through job embedded professional development focused on delivering best practices of instruction for all students.

• Establish a system for recruiting and training new teachers and principals.

• Re-focus the professional development system to deliver specialized training for all staff, based in response to instructional and management deficiencies as identified by student data and evaluations. Professional Development should be on-the-ground training, where success is determined by changed outcomes in student and school performance, and not hours completed.

• Expand the Instructional Improvement Platform to support the online delivery of: (1) courses; (2) training; (3) instructional and management models; and (4) principal and teacher coaching and mentoring.

• Identify areas where children come to school least prepared to learn and ensure delivery of early childhood education models that ensure at least a minimal exposure to early literacy (vocabulary) and numeracy for all students, as well as appropriate health care and nutritional support and percent training. Parents of children from birth to Pre-K in highest need areas would receive greatest level of intervention.

• Raise expectations of students, parents and instructors that all children can learn and be successful in school and beyond.

• Expand access to universities and post secondary educational institutions through expansion of dual enrollment and early college programs, expansion of for credit university exam preparation courses (ACT prep) embedded and online university test preparation programs, and increasing partnership with proven College and Career Readiness Initiatives.

• Upgrade the student and local school information systems to ensure access and understanding for all users. Such an upgrade is critical to improving access to school choice, assisting parents in making informed decisions, measuring student progress, determining appropriate interventions and supports, and creating transparency within the system.

Deliverable #3: Standardize Accountability and Interventions

For Schools:
• Establish clear expectations for teachers, school leaders and central office staff, and create (or strengthen) an accountability system aligned with state standards and goals.
In partnership with approval from the ISBE, The Vallas Group will offer proven strategies to enhance the districts' current evaluation systems for staff and schools, including some or a combination of such elements as teacher value-added data, benchmarks aligned to curriculum standards, and measurements for effective practices of school leaders and teachers. The Vallas Group would assist in creating these instruments, supporting schools in implementing these accountability measures, and ensuring these measures help increase progress towards state-wide goals while being aligned to the state's accountability policy.

Implement the aforementioned accountability system, in line with the state system, to begin evaluating school performance and quality, based on the value-added assessment model.

Identify top performing educators both current and/or recently retired with time, energy, and a deep understanding of the turnaround framework and invite them to form the foundation of the district’s “assessment and accountability team,” and to assist with determine the appropriate supports and interventions for all schools in the district.

For Students:

- Standardize a comprehensive instructional benchmarking system and mid-term and end of course exams (for upper grades) that can effectively measure student progress.

- Standardize an RtI type system, with a school-wide, multi-level instructional and behavioral system for preventing student failure and progress monitoring, with emphasis on data-driven decision making for instruction of all student intervention/staffing decisions. Implementing this process for students will also assist with developing deeper categorizations of schools by performance and improvement levels to determine appropriate interventions.

- Further utilize the standardized RtI (Response to Intervention) system to provide the appropriate supplemental education services to struggling students (or advanced placement), based on the benchmarks.

- Develop a plan to ensure that the districts are conforming with all state and federal special education mandates and ensure effective use of RtI Tier Three interventions to avoid the misclassification of students who have no cognitive disability as special education.

- Implement the ACT instructional template to improve high school curriculum, improve college-readiness and better prepare students to excel on Illinois' high-stakes high school exam.

Deliverable #4: Streamline Budget and Management Processes

- Analyze and reorganize the district's budget and management systems to support the priority needs of all schools, especially low performing schools. This task will require partnering with the State to determine which programs have proven outcomes for students and what are various ways to support those programs financially while avoiding the typical red tape which slows productivity.
• Evaluate and provide strategies to re-prioritize the school districts' budget and fund allocations to bring expenditures in line with revenues and to ensure that the maximum amount of resources are following students into the classroom.

• Budget re-prioritization and fund reallocations will be accompanied by a reorganization of the administration hierarchy. The Vallas model restructures the district's central office and management operations along functional areas critical to facilitating local school improvement. The outcome is a lean structure well equipped to efficiently provide critical supports to local schools.

• Increase access to additional resources by maximizing reimbursements from Medicaid and improving grant writing abilities and private fundraising.
EXHIBIT B
Contractor Deliverables

Work Plan
In extraordinary circumstances, certain districts with persistently low-performing schools have required a greater level of state-directed interventions to improve the academic success of their students (http://www.isbe.net/intergov_agmts/default.htm). In order to improve student outcomes in these schools, ISBE entered into intergovernmental agreements with their districts, an arrangement that provides a greater level of scrutiny, intervention and oversight that is necessary to improve student achievement.

The Vallas Group will assist the Illinois State Board of Education with its various initiatives aimed at school districts with low-performing schools. Year one of the contract will focus services toward the Illinois State Board of Education to develop tools and process for state level interventions and two through four would focus on district level engagement.

Year 1
The Vallas Group will assist ISBE by collecting and monitoring data and performance objectives from school districts in which the ISBE has intervened and from school districts participating in other educational reform or school improvement programs and present such information and analyses to state and local personnel as required.

Deliverable #1: Design Model for State Level Interventions with Districts with Low-Performing Schools including Districts the State May Takeover. Work products will include
- Recommendations for criteria Illinois should use to determine state level actions and interventions with articulation of progression leading to state takeover of a low-performing district.
- Recommendations for exit criteria Illinois should use to determine when state oversight or intervention is no longer needed.
- Analysis of current Illinois statues regarding State interventions and oversight in low performing schools and districts with recommendations for modifications to current law.

Year 2
Deliverable #2: Criteria For Measuring effectiveness of Project Work Plan “Improving Low Performing Schools by Revamping Institutional Practices.”

There are certain common best practices and supports that when implemented, are proven to result in improved academic performance. Developing a plan to implement these best practices with fidelity in the lowest performing schools first, and district-wide second, starting in 2012-2013 school year is a the most critical component of the district reform plan. These practices and supports are as follows:
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Identify and select proven curriculum and instructional models in the core subject areas, including language arts, math, and science; ensure alignment with the state standards (Common Core Standards) for all grades; and ensure districts are
utilizing only curriculum support resources that have been proven most effective based on student outcomes.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Increase adoption of instructional delivery through multiple mediums that do not dilute rigor but can increase scalability, including online delivery.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Create and implement proven school-based leadership team model, for the provision of guidance, mentoring and support to the schools’ instructional staff through job embedded professional development focused on delivering best practices of instruction for all students.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Establish a system for recruiting and training new teachers and principals.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Re-focus the professional development system to deliver specialized training for all staff, based in response to instructional and management deficiencies as identified by student data and evaluations and Professional Development should be on-the-ground training, where success is determined by changed outcomes in student and school performance, and not hours completed.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Expand the Instructional Improvement Platform to support the online delivery of: (1) courses; (2) training; (3) instructional and management models; and (4) principal and teacher coaching and mentoring.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Identify areas where children come to school least prepared to learn and ensure delivery of early childhood education models that ensure at least a minimal exposure to early literacy (vocabulary) and numeracy for all students, as well as appropriate health care and nutritional support and percent training with parents of children from birth to Pre-K in highest need areas receiving the greatest level of intervention.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Raise expectations of students, parents and instructors that all children can learn and be successful in school and beyond.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Expand access to universities and post secondary educational institutions through expansion of dual enrollment and early college programs, expansion of for credit university exam preparation courses (ACT prep) embedded and online university test preparation programs, and increasing partnership with proven College and Career Readiness Initiatives.

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Upgrade the student and local school information systems to ensure access and understanding for all users with the purpose of improving access to school choice, assisting parents in making informed decisions, measuring student progress, determining appropriate interventions and supports, and creating transparency within the system.
Deliverable #3: Standardize Accountability and Interventions

For Schools:

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Establish clear expectations for teachers, school leaders and central office staff, and create (or strengthen) an accountability system aligned with state standards and goals.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: enhance the districts’ current evaluation systems for staff and schools, including some or a combination of such elements as teacher value-added data, benchmarks aligned to curriculum standards, and measurements for effective practices of school leaders and teachers.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Implement the aforementioned accountability system, in line with the state system, to begin evaluating school performance and quality, based on the value-added assessment model.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Identify top performing educators both current and/or recently retired with time, energy, and a deep understanding of the turnaround framework and invite them to form the foundation of the district’s “assessment and accountability team,” and to assist with determine the appropriate supports and interventions for all schools in the district.

For Students:

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Standardize a comprehensive instructional benchmarking system and mid-term and end of course exams (for upper grades) that can effectively measure student progress.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Standardize an RtI type system, with a school-wide, multi-level instructional and behavioral system for preventing student failure and progress monitoring, with emphasis on data-driven decision making for instruction of all student intervention/staffing decisions and developing deeper categorizations of schools by performance and improvement levels to determine appropriate interventions.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Further utilize the standardized RtI (Response to Intervention) system to provide the appropriate supplemental education services to struggling students (or advanced placement), based on the benchmarks.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Develop a plan to ensure that the districts are conforming with all state and federal special education mandates and ensure effective use of RtI Tier Three interventions to avoid the misclassification of students who have no cognitive disability as special education.
Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Implement the ACT instructional template to improve high school curriculum, improve college-readiness and better prepare students to excel on Illinois’ high-stakes high school exam.

Deliverable #4: Streamline Budget and Management Processes

- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Analyze and reorganize the district’s budget and management systems to support the priority needs of all schools, especially low performing schools. This task will require partnering with the State to determine which programs have proven outcomes for students and what are various ways to support those programs financially while avoiding the typical red tape which slows productivity.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Evaluate and provide strategies to re-prioritize the school districts’ budget and fund allocations to bring expenditures in line with revenues and to ensure that the maximum amount of resources are following students into the class room.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Budget re-prioritization and fund reallocations will be accompanied by a reorganization of the administration hierarchy.
- Metrics and indicators of effectiveness that would be used to monitor progress including steps district has taken to: Increase access to additional resources by maximizing reimbursements from Medicaid and improving grant writing abilities and private fundraising.

Years 2-4

4. Assist ISBE with the coordination of state-level interventions in one or more identified school districts with persistently low-performing schools. As part of this coordination responsibility, the individuals or subcontractors will visit the identified school districts; ensure coordination of the various interventions and school improvement efforts being implemented in the school districts; serve as a liaison to the State Superintendent with regard to any interventions employed in these school districts; work closely with each school district’s board of education and administration on budget, personnel, contracting and other matters; and attend all meetings of each school district’s board of education.

5. Assist school districts participating in other initiatives specific to education reform and improvement. The individuals or subcontractors would help one or more participating school districts develop a plan of work that achieves the goals and purpose of these initiatives; work with these school districts to track their progress in implementing the activities outlined in their work plans; and help the school districts track and measure their success in meeting their goals and those of the initiatives.
EXHIBIT C
Payment Schedule

The Contractor shall invoice ISBE in accordance with the following schedule of charges based on a full day or partial day of work. In addition, the Contractor shall have the right to add an additional 8% administrative overhead charge to any invoice submitted. The provisions of this Exhibit are subject to the limitations set forth in Paragraph 3 and the provisions of this Agreement.

Paul Vallas

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