

**Amended and Restated
Memorandum of Understanding
between
Jefferson County Board of Education
and
Jefferson County Public Education Foundation, Inc.**

This Amended and Restated Memorandum of Understanding (hereinafter "MOU") is entered into between the Jefferson County Board of Education (hereinafter "JCPS"), a political subdivision of the Commonwealth of Kentucky and the Jefferson County Public Education Foundation, Inc., a Kentucky nonprofit corporation (hereinafter "Foundation") on the date indicated on the signature blocks below. The original Memorandum of Understanding was dated effective as of October 19, 2022 (the "Original MOU"). This MOU amends and restates the Original MOU in its entirety.

WHEREAS, after conducting research into JCPS and the Foundation and interviewing Marty Pollio, the Superintendent of JCPS, a donor-advised fund indicated that it intended to make a major gift in support of JCPS (the "Major Gift");

WHEREAS, JCPS agreed to direct the Major Gift to the Foundation and the Foundation agreed to utilize the Major Gift as set forth in this MOU;

WHEREAS, on October 19, 2022, Eileen Heisman, the President/CEO of the National Philanthropic Trust (the "NPT") sent a letter via email addressed to Marty Pollio, Superintendent and Franklin Jelsma, Board Chair of the Foundation (the "NPT Letter"), informing them that the NPT was "very pleased to present you with a charitable gift at the recommendation of the donor to the 2022 Fund";

WHEREAS, the NPT Letter disclosed that the Major Gift was in the amount of \$20,000,000 and that the funds would be unrestricted;

WHEREAS, the NPT Letter further specified that the gift may only be used for the tax-exempt purposes of the Foundation and "may not be used to provide anyone with a more than incidental private benefit, and it may not be used to carry on propaganda, to attempt to influence legislation or the outcome of any public election, in support of any political campaign or candidate for public office, or for any other form of lobbying."

WHEREAS, the Major Gift was received by the Foundation on October 19, 2022.

NOW THEREFORE, in consideration of the above premises and the agreements set forth below, JCPS and the Foundation agree as follows:

1. The Foundation will make arrangements to accept the Major Gift and will work to immediately invest the Major Gift in an interest bearing money market account until such time as a long term financial plan can be developed.

2. During the Spring of 2022, after significant study and community input, JCPS adopted a new student assignment plan. The core belief underlying the new student assignment plan is that an improved sense of belonging leads to positive student outcomes. The new plan is designed to provide all students with the ability to attend a school near their home, as well as continuity/predictability throughout their school career, and meaningful school choice for students living in a high poverty area designated as the “Choice Zone”. As part of its 2020 plan for the “Future State” of JCPS (the “Future State Plan”), a portion of funds generated by an increase in local property taxes was pledged to support the district’s highest need schools. JCPS will utilize \$15 million from the property tax increase to fund a portion of its planned support of schools in the Choice Zone, along with available federal funding. JCPS and Dr. Pollio believe the ultimate success of the new student assignment plan depends on the strength and effectiveness of its support of schools in the Choice Zone. The Foundation believes the responsibility for supporting Choice Zone schools does not fall on JCPS alone, but rather is the shared responsibility of the entire community.

3. During the ‘22/’23 school year, the Foundation will work with Dr. Pollio and JCPS to fully develop, document and approve a five year program to foster an improved sense of belonging among JCPS students and thus positive student outcomes. This program will be known as the “E3 Equity Program” and it will have three areas of focus: Engagement (boosting family and community engagement in schools), Environment (improving and enhancing physical spaces) and Experiences (enriching school experiences and extracurricular activities). The E3 Equity Program will be based on the following:

A. It will be equity driven with its primary purpose being to provide support to the thirteen schools located in the “Choice Zone” as identified in JCPS’s new student assignment plan: The Academy @ Shawnee, Hudson Middle School, and the following eleven elementary schools: Maupin, Kennedy, King, Cochran, Engelhard, McFerran, Wheatley, Atkinson, Breckinridge-Franklin, Byck, and Portland (collectively, the “Choice Zone Schools”). Additional schools may be added to this group based on demonstrated need similar to that of the Choice Zone Schools.

B. The E3 Equity Program will drive equity in supplemental enrichment funding and provide support of certain student and school activities in Choice Zone Schools where there is a demonstrated need which cannot otherwise be met within a school’s budget.

C. JCPS will work with the principals of the Choice Zone Schools to develop a process for administering and allocating program funds, including annual school budgets (subject to approval by JCPS), regular reporting to JCPS, accountability, and tracking of results. JCPS will report quarterly to the Foundation on the status of the E3 Equity Program based on mutually agreed criteria and standards.

D. In order to achieve sustainability, the E3 Equity Program will also focus on developing and implementing innovative parent and community engagement strategies, and long term community-wide fundraising.

E. In furtherance of the goals set forth in the Future State Plan and in support of the “Engagement” prong of the E3 Equity Program, \$1,000,000 will be contributed to The Evolve502, Inc., scholarship fund as further detailed below.

F. In furtherance of the goals set forth in the Future State Plan and in support of the “Experiences” prong of the E3 Equity Program, \$2,475,000 will be contributed over a three year period to support the Academies of Louisville program based upon the proposal made at the January 24, 2024 meeting of the Foundation’s board of directors.

G. As mutually agreed by JCPS and the Foundation, the E3 Equity Program may encompass other initiatives designed to support JCPS schools, students, teachers and staff.

4. The supplemental funding to be provided to the Choice Zone Schools through the E3 Equity program will equal \$1,200,000 per year for five years beginning with the ’23/’24 school year. The allocation of the funds among the participating schools will be based on recommendations made by JCPS, with consideration given to number of students impacted, demonstrated need, parent/community engagement, compliance with accountability and other program guidelines, and progress toward goals. Funding for Choice Zone Schools will be: \$200,000 annually for Shawnee, \$125,000 annually for Hudson Middle School and \$75,000 annually for each of the 11 elementary schools.

5. An additional part of the E3 Equity Program will target supplemental spending across the district in the amount of \$500,000 per year (for five years beginning with the ’23/’24 school year).

6. The Foundation will hold the Major Gift (and all investment proceeds earned thereon) in a separate account to be identified as the “E3 Account”. The Foundation will work with a qualified professional financial advisor, initially to be Robert W. Baird & Co., Incorporated (“Advisor”), to invest the Major Gift in a manner designed by Advisor, and approved by JCPEF, to accomplish the following goals:

A. Previously, upon request made by JCPS, \$298,400 was transferred from the E3 Account to JCPS for distribution to all schools in the district for supplemental spending during the ’22-’23 school year pursuant to criteria to be developed and implemented by JCPS.

B. During the five years of the E3 Equity Program (beginning with the ’23/’24 school year), \$600,000 (or, if prior to the payment date, JCPS requests a lesser amount) will be transferred from the E3 Account to JCPS for subsequent allocation by JCPS to the Choice Zone Schools on each of March 1, 2023, November 1, 2023, March 1, 2024, November 1, 2024, March 1, 2025, November 1, 2025, March 1, 2026, November 1, 2026, March 1, 2027 and November 1, 2027 (for a total of \$1,200,000 per school year and \$6,000,000 over five years).

C. Upon request made by JCPS, up to \$500,000 per year for five years (beginning with the ’23/’24 school year) will be transferred from the E3 Account to JCPS for supplemental spending across all schools in the district, pursuant to criteria to be developed and implemented by JCPS, payable as \$250,000 every June 15 and January 15 (with the last such payment being January 15, 2028).

D. Over five years, \$1,000,000 shall be contributed to Evolve 502, Inc. pursuant to the following payment schedule: \$200,000 in February of 2024, \$200,000 in February of 2025, \$200,000 in February of 2026, \$200,000 in February of 2027 and \$200,000 in February of 2028.

E. \$825,000 per year for three consecutive years shall be contributed to a new initiative intended to supplement and support JCPS's Academies of Louisville program pursuant to a payment schedule to be established by the Foundation and currently anticipated to consist of four quarterly payments of \$206,250 beginning in March of 2024. Initially, these funds shall be transferred from the Foundation to The Greater Louisville Workforce Investment Board, Inc. d/b/a KentuckianaWorks (to a bank account designated by KentuckianaWorks), with the long-term goal of migrating this program into a new tax exempt entity. As a condition to receiving these funds, KentuckianaWorks shall (i) ensure that 100% of the funds contributed by the Foundation are used to supplement and support JCPS's Academies of Louisville program and (ii) upon request from the Foundation, provide regular updates and programmatic briefings regarding the program as well as regular financial reports covering metrics requested by the Foundation.

F. Funds not required to meet the purposes set forth in paragraphs 6.A, 6.B, 6.C, 6.D and 6.E above will be placed into a perpetual endowment to be created by the Foundation pursuant to a plan to be carefully developed and approved by the Foundation, based on advice from the Advisor. The goal of this endowment will be to create a perpetual source of funding for the E3 Equity Program.

7. Modification:

No waiver, alteration or modification of the provisions of this MOU shall be binding unless in writing and mutually agreed upon by both JCPS and Foundation.

8. Equal Opportunity:

During the performance of this MOU, Foundation shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Kentucky Equal Employment Act of 1978, KRS 45.550-45.640, and the American Disabilities Act, and shall not discriminate against any JCPS employee, student or students, parent or guardian because of race, color, national origin, age, religion, marital or parental status, political affiliations or beliefs, sex, sexual orientation, gender identity, gender expression, veteran status, genetic information, or disability or limitations related to pregnancy, childbirth, or related medical conditions.

9. Entire Agreement:


This MOU contains the entire agreement between JCPS and the Foundation regarding the Major Gift and supersedes any prior agreements between JCPS and the Foundation regarding the Major Gift.

IN WITNESS WHEREOF, authorized representatives of the undersigned parties have caused this MOU to be executed in their respective names, on the day and year indicated below.

Jefferson County Public Schools

By: _____ February __, 2024
Marty Pollio, Ed.D., Superintendent

Jefferson County Public Education Foundation, Inc.

By:  _____ February 1, 2024
Franklin K. Jelsma, Chairman