Schedule E: Funding Plan

The Funding Plan may be modified from time to time by SFI with notice to the Operating Committee, provided that any material changes and any changes to Section 5 of this Schedule E shall require the written consent of the Parties.

Section 1: Pro-forma Budget and Project Fees

Description of Project Fees from the SFMA Operating Account and excluding those paid to JVS

1.1 Evaluation Fees: Pursuant to the Evaluation Implementation Agreement, SFMA shall pay Independent Evaluator no more than $460,000 between project quarters 1 and 24. It is anticipated that payments will be invoiced and made semi-annually.

1.2 Transaction Costs: SFMA shall pay no more than $410,000 (estimated to be $35,000 per year) to cover costs associated with legal, fiscal, and tax services, and related activities required to manage and administer funds. It is anticipated that payments will be invoiced and made annually.

1.3 Performance Management: Pursuant to the Technical Assistance Services Agreement, SFMA shall pay Jobs for the Future no more than $100,000 between quarters 1 and 4. It is anticipated that payments will be invoiced and made semi-annually.

1.4 Financial and Project Management Fees:

SFMA shall pay SFI no more than $560,000 from the SFMA Operating Account between quarters 2 and 24 (which amount excludes repayment of SFI success-based fees of $200,000) for its financial and project management services. It is anticipated that payments will be invoiced and made annually.

SFI will also be eligible for a success fee of up to $200,000 from the SFMA Deposit Account based on the performance of the PFS Project. Eligibility and payment of this success fee will be determined in accordance with the Private Funding Agreements.

1.5 Other Operational Fees: The budget includes a contingency amount of up to $300,000 as part of the SFMA Operating Account, which may be used to support the PFS Project at the discretion of SFI.

Projected Project Budget:
Section 2: Funding to JVS

Funding of JVS Services will occur in accordance with the Side Letter Agreement. It is anticipated that total JVS service delivery costs will be $10,600,000.

Section 3: Success Payments

The Commonwealth will pay Success Payments to the SFMA Deposit Account. Upon receipt SFMA will distribute Success Payments to the Funding Partners and SFI in accordance with the Private Funding Agreements.

The estimated timing of such Success Payments are detailed in Schedule B (Project Timeline).

The maximum Success Payments are $15,000,000.

Section 4: Projected Capital Call Schedule

Capital will be called from Funding Partners according to the schedule in Section 4.05 of the PFS Contract and such amounts will be deposited in the SFMA Operating Account. SFMA may amend capital call schedule as needed to adequately support JVS Services.

Section 5: Wind-Up

5.1 Upon a notification of termination by one or more of the Parties pursuant to Article 8, JVS, Independent Evaluator, SFI, and SFMA will each prepare a wind-up budget (collectively, the “Wind-Up Budgets”).

i) JVS will prepare a wind-up budget consisting of any extraordinary costs incurred as a result of the termination event and required for wind-up of services, such as severance, occupancy, etc. (which will not exceed the total JVS service delivery costs specified in Section 2 above, less payments received to date).

ii) Independent Evaluator will prepare a wind-up budget consisting of any 1) extraordinary costs incurred as a result of the termination event and required for wind-up of services; 2) costs to expedite measurement of outcomes per the procedures specified in Section 5.3 below (which will not exceed the total evaluator budget specified in the Evaluator Implementation Agreement less payments specified to date).

iii) SFI and SFMA will prepare wind-up budgets consisting of any extraordinary costs incurred as a result of the termination event and required for wind-up of services, including fees to SFI to oversee wind-up activities.
5.2 The Wind-Up Budgets will be presented to the Operating Committee for approval. If approval is not provided, the Wind-Up Budget may be submitted by agreement of the members of the Operating Committee for resolution by the Oversight Committee, and thereafter to the Massachusetts Office of Public Collaboration as described in Schedule F Change Management Procedures.

5.3 Following receipt of a notice of termination from one of the Parties in accordance with Article 8, except Section 8.02(b), the Commonwealth will pay to the SFMA Deposit Account the amounts set forth below:

i) A Success Payment, which will consist of the following:

   a. Success Payments owed but not yet made, including amounts that may be reasonably calculated and verified under Schedules C and D as of the date of notice of termination;

   b. For participants for whom Final Outcomes cannot be calculated under Section 5.3(i)(a) by the Quarter in which notice of termination is given, the Commonwealth shall pay an Early Success Payment according to a timeline agreed to by the Parties, calculated as set forth below:

      i. Independent Evaluator will measure Final Outcomes for participants who are or have been Matured Participants in the Rapid Employment, Skills, or English for Advancement Tracks during the Project Period, or Bridges participants who have completed the Individual Post-Secondary Observation Period as of the end of the quarter in which notice of termination is given;

      ii. Independent Evaluator will count the number of Rapid Employment, Skills and Bridges Enrolled Participants with PFS Identifiers, and the number of English for Advancement Treatment Group members with PFS Identifiers, all of whom are or were Enrolled Participants as of the date of notice of termination;

      iii. The Independent Evaluator will determine the Program Engagement Final Outcome for Enrolled Participants with a PFS Identifier as of the date of notice of termination;

      iv. SFI will calculate Early Success Payments in accordance with the provisions of Schedule C and D, provided that in calculating the Public Value as set forth in Table 1 of Schedule D, SFI will multiply the applicable Final Outcome for Rapid Employment, Skills, and Bridges as calculated under Section 5.3(i)(b)(i) above by the number of all Enrolled Participants with a PFS Identifier in the applicable Program Track as of the date of notice of termination, and the Final Outcome for English for Advancement as calculated under Section 5.3(i)(b)(i) above by the number of Treatment Group members with PFS Identifiers, even if such participants were not included in the measurement of the applicable Final Outcome.
v. The Success Payments under this Section 5.3(i) shall be made under a schedule to be reasonably agreed to by the Parties, taking into account the Commonwealth’s budget process and the anticipated schedule of expenditures required to facilitate an orderly wind-up of this PFS Contract.

vi. To the extent notice of termination occurs while recruitment for a particular class is ongoing but before the class is fully enrolled, JVS shall terminate the programming for such class and the Commonwealth shall have no liability for any individuals enrolled as of the date of notice of termination.

vii. To the extent no data are available by which to calculate Final Outcomes under Section 5.3(i)(b)i., then no Early Success Payments shall be made under this Section 5.3(i)(b).

ii) In the case of an Early Termination pursuant to Section 8.02(f) (Commonwealth Material Breach), the Commonwealth will pay, in addition to the amounts set forth in Sections 5.3(i), the full amounts set forth in the Wind-Up Budgets.

iii) In the case of an Early Termination pursuant to Section 8.02(f) (Commonwealth Material Breach) caused by a failure to deliver data under Section 7.03, the Commonwealth shall pay, in lieu of the amounts set forth in Section 5.3(i)-(ii) above, the following:

a. Success Payments owed and not yet made, including amounts that may be reasonably calculated and verified under Schedules C and D as of the date of notice of termination;

b. JVS’ costs of services rendered for any participants who have completed services but for whom Success Payments cannot be calculated under Section 5.3(iii)(a), and all Enrolled Participants with a PFS Identifier in any of the four Program Tracks as of the date of notice of termination. Such estimate will be presented to the Operating Committee for approval. If approval is not provided, the estimate may be submitted by agreement of the members of the Operating Committee for resolution by the Oversight Committee, and thereafter to the Massachusetts Office of Public Collaboration as described in Schedule F Change Management Procedures; and

c. The full amounts set forth in the Wind-Up Budgets.

d. The payments under this Section 5.3(iii) shall be made under a schedule to be reasonably agreed to by the Parties, taking into account the Commonwealth’s budget process and the anticipated schedule of expenditures required to facilitate an orderly wind-up of this PFS Contract.

5.4 Upon receipt of any payments owed pursuant to 5.2 and 5.3 of this Schedule, payments from the SFMA Operating Account and the SFMA Deposit Account shall be made in the following order, unless otherwise agreed to by the Parties and Funding Partners:
1. To JVS, SFI, and the Independent Evaluator based on the amount and timeline in the approved Wind-Up Budgets.
2. To Funding Partners that entered into Private Funding Agreements with SFMA in accordance with such Agreements.