THIRD EMPLOYMENT CONTRACT FOR THE CHIEF EXECUTIVE OFFICER FOR THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM

THIS THIRD EMPLOYMENT CONTRACT ("Third Contract") is made and entered into as of June 12, 2024, by and between the Baltimore City Board of School Commissioners ("Board"), and Dr. Sonja Santelises ("Dr. Santelises" or the "CEO").

WHEREAS, on February 25, 2020, the Board and Dr. Santelises entered into a contract for Dr. Santelises to be the Chief Executive Officer for the Baltimore City Public School System ("City Schools") from July 1, 2020 through June 30, 2024;

WHEREAS, the Board has made a determination to enter into a Third Contract to employ Dr. Santelises from July 1, 2024 through June 30, 2025, and Dr. Santelises has agreed to enter into a Third Contract to continue in the position of the CEO of the City Schools during this term; and

WHEREAS, the Board and Dr. Santelises desire by this Third Contract to establish the compensation, salary, benefits, and other terms and conditions of the employment of the CEO.

WITNESSETH:

NOW THEREFORE, for and in consideration of the mutual agreements, covenants, terms and conditions contained herein and for other good and valuable consideration, it is expressly understood, agreed and covenanted by and between the Board and Dr. Santelises hereto as follows:

I. TERM OF EMPLOYMENT

- 1.1 Subject to other provisions of this Third Contract, the Board employs the CEO, and the CEO accepts her employment as the CEO for the period beginning July 1, 2024, and ending on June 30, 2025.
- 1.2 The Board has not adopted any policy, rule, regulation, law or practice providing for tenure of the CEO. No right of tenure is created by this Third Contract.

II. EMPLOYMENT

2.1 **Duties:**

The CEO is the chief executive officer and educational leader of the City Schools and is responsible for carrying out the educational, managerial and administrative responsibilities for the care and maintenance of the City Schools. During the Term of this Third Employment Contract, the CEO shall administer the City Schools in accordance with the Board's policies and State and federal laws as they exist or may hereafter be enacted or amended. The CEO shall perform those duties, which are required by State law, prescribed by the Board or as necessary for the efficient and effective management of the City Schools. Specifically, the duties of the CEO shall include:

- (1) reporting directly to the Board;
- (2) directing the day-to-day administration and supervision of the City Schools;
- (3) planning, implementing and evaluating programs regarding the organizational, operational, fiscal and educational functions of the City Schools;

- (4) recommending to the Board reforms and systemic changes, such as curriculum and program offerings, as the CEO finds necessary and expedient in order to affect positively educational outcomes for students in City Schools;
- (5) developing and implementing a program of professional development that the CEO finds necessary and expedient in order to affect positive changes in City Schools;
- (6) selecting and establishing the salary of the Chief Academic Officer, Chief Financial Officer and Director of Research and Evaluation (Chief of Achievement and Accountability), subject to the approval of the Board, as provided in Sections 4-305(b), 4306(b), and 4-307(b) of the Education Article, Md. Code Ann.;
- (7) selecting and establishing the salary of the Chief of Staff, subject to the approval of the Board;
- (8) designating, pursuant to Section 4-304(b)(4) of the Education

 Article Md. Code Ann., individuals with primary responsibility for each of the following functions:
 - (a) management and administration of the City Schools;
 - (b) assessment and accountability of the academic performance of students in the City Schools;
 - (c) provision of services to students with disabilities in accordance with federal and State law;

- (d) development and implementation of initiatives for educational reform;
- (e) professional hiring and development;
- (9) appointing members of the Parent and Community Advisory Board ("Advisory Board"), subject to the approval of the Board, and meeting at least quarterly with the Advisory Board;
- (10) ensuring community involvement in the development and implementation of the City Schools' policies;
- (11) submitting, by December 31 of each school year, an annual report to the State Board of Education and the State Superintendent, such report shall include a financial statement, a comprehensive accounting of progress in the implementation of the Master Plan, and, any other information as required by Section 4-313, Education Article, Md. Code Ann.;
- (12) submitting, by December 31 of each school year, an annual report to the Board on progress towards goals in the Board's strategic plan;
- organizing and reorganizing departments and assigning employees of the City Schools consistent with Board policy and State law;
- (14) recommending policies to the Board and reasonably interpreting and implementing policies adopted by the Board;

- (15) developing and establishing CEO Regulations, Directives and
 Guidance that the CEO deems necessary for the efficient and
 effective operation of the City Schools and that are consistent with
 the Board's policies, and State and federal law;
- (16) recommending employment for employees of the City Schools, subject to the approval of the Board;
- (17) directing, assigning, reassigning, transferring, evaluating and dismissing employees of the City Schools consistent with the Board's policies, collective bargaining agreements, and State and federal law;
- (18) administering the collective bargaining agreements with the appropriate employee organizations;
- (19) accepting all resignations of employees of the school system except the CEO's resignation, which must be accepted by the Board;
- (20) carrying out responsibility for the overall financial planning of the City Schools, including preparation of the annual budget and the submission of the budget to the Board for review and approval;
- attending and participating in all discussion, in all regular, special and executive sessions of the Board except when the Board is considering the CEO's employment and when the Board is discussing its self-evaluation;

- (22) making recommendations on items of business for Board meetings as the CEO deems necessary for the efficient and effective operation of the City Schools;
- (23) establishing and implementing a process, including a means and time parameters for keeping the Board up-to-date on developments, initiatives and issues in City schools; and
- (24) serving as a member of the cabinet of the Mayor, at the discretion of the Mayor.
- by State law, by June 1, or at an earlier date agreed upon by the Parties, prior to the end of the term of this Third Contract, the CEO shall provide the Board with a Transition Plan that shall include, among other items, a status report on major curriculum programs, academic goals and achievements; organizational, fiscal, capital improvement programs; and, other major operational programs and/or functions of the City Schools; and, updated information, if any, applicable to the Board's strategic and Master Plan. In the event this Third Contract is terminated by mutual agreement of the Parties or by resignation/retirement of the CEO, the CEO shall provide the Board with the Transition Plan by a mutually agreed upon date prior to the date of such termination.

The CEO shall also perform these duties and others as may be assigned by the Board, or as she deems necessary to carry out the effective management of the City Schools, with reasonable care, skill and expertise and in a good and professional manner in accordance with law. The Board shall not assign the duties of the CEO to other employees of the City Schools and shall not assign the CEO to another position in the City Schools without the written consent of the CEO.

2.2 Conflict:

The CEO shall have no interest, financial or otherwise, directly or indirectly, or engage in any public transactions or professional activities, that are in conflict with the proper discharge of her duties as the CEO of the City Schools. In addition, the CEO will not violate any portion of the applicable ethics policy of the City Schools.

2.3 Outside Professional Activities:

The Board agrees that the CEO is entitled to engage in outside professional activities, including writing, consulting, and lecturing, with or without honorarium, as long as such activities do not interfere with the performance of her duties as the CEO and such activities are consistent with the applicable ethics policy of the City Schools. The CEO may not serve as a consultant without the prior approval of the Board Chair, which will not be unreasonably withheld.

III. BOARD/CEO RELATIONSHIPS AND COMMUNICATION

The Board and the CEO agree that they shall work with each other in the spirit of cooperation and team work and shall provide each other periodic opportunities to discuss Board/CEO relationships and communications.

The Board, individually and collectively, shall promptly refer to the CEO, orally or in writing, for her study and recommendation any and all criticisms, complaints, suggestions,

communications or other comments regarding the CEO's performance of her duties of the operation of the City Schools. Individual Board members agree that they will not give direction to the CEO or any employee regarding the management of the District or the solution of specific problems and that they shall refer all personnel complaints or other communications concerning the administration of City Schools to the CEO for investigation and report to the Board. The CEO shall share with the Board, as appropriate, criticisms, complaints and suggestions concerning the City Schools that may come to her attention.

IV. COMPENSATION

4.1 Base Salary:

The CEO shall receive an annual base salary of Three Hundred Forty-Nine Thousand Nine-Hundred and Eighty Nine Dollars (\$349,989.00), payable in equal installments in accordance with Board rules governing payment to other full-time professional employees in City Schools.

4.2 Retirement/Deferred Compensation:

The CEO shall participate in the appropriate State and local pension/retirement systems, as provided by law. In addition, the Board agrees to make, on behalf of the CEO, an annual contribution into one or more deferred compensation programs, to be selected by the CEO. The Board's contribution to said program(s) shall be 16 percent of the CEO's annual base salary per year and shall be made by the Board on a quarterly basis at the beginning of each quarter for each Contract year. In the event this Third Contract is terminated pursuant to Section XII of this Third Contract, prior to the completion of the contract year (i.e., before June 30), the Board's contribution will be subject to the provisions of Section XII.

V. TECHNOLOGY SUPPORT

The Board shall provide the CEO with appropriate technology that will assist the CEO in the performance of her duties and responsibilities. This shall include a smartphone, tablet, laptop and answering machine, facsimile/printer, and computer to be installed at the residence of the CEO for the exclusive use of the CEO for the business of City Schools. The Board shall own this technology, and the Board shall be billed directly for the expenses incurred for use by the CEO. Upon termination of this Third Contract, the services for the technology will be canceled and all City Schools' equipment must be returned.

VI. PROFESSIONAL DEVELOPMENT AND PROFESSIONAL/CIVIC ORGANIZATIONS

The Board shall pay the CEO's membership dues in professional organizations that the CEO deems necessary to maintain and improve her professional skills, subject to the prior approval of the Board Chair. In addition, the CEO shall continue her professional development by attending pertinent professional meetings at the local state and national level and by participating in other relevant learning experiences. The Board shall pay or reimburse reasonable expenses associated with such meetings, professional development and other relevant learning expenses. The Board also agrees to pay annual membership dues and related expenses for the CEO to be a member of up to five civic and community organizations.

VII. BENEFITS AND EXPENSES

7.1 Benefits:

Unless otherwise specified in this Third Contract, the CEO shall receive dental and health coverage and other benefits provided to other full-time executive employees of the Board during the term of this Third Contract.

7.2 **Health and Related Benefits:**

The Board shall pay the premium for group health, prescription, vision and catastrophic illness coverage for the CEO and her dependents, subject to applicable payroll deductions that apply to other 12-month executive employees of the City Schools. If other 12-month executive employees are provided with long term care insurance, the Board also shall provide the CEO with a long-term care insurance policy to be paid under the applicable guidelines of such policy.

7.3 <u>Life Insurance:</u>

During the term of this Third Contract, the Board shall provide the CEO a Board-paid term life insurance policy in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000).

7.4 Disability Insurance:

During the term of this Third Contract, the Board shall provide the CEO with a disability insurance policy that provides coverage for two and a half times the CEO's base salary.

7.5 Vacation, Sick and Personal Leave:

In addition to the same holidays to which12-month executive employees are entitled, the CEO shall annually earn 38 days of paid vacation days during the term of this Third Contract. At the end of the term of this Third Contract or upon termination of this Third Contract, the CEO may be paid, at her option, for any days of unused vacation days accrued

during the term of this Third Contract, as well as unused vacation days carried over and accrued, if any, from the term of the First and Second Employment Contracts for CEO, at her then per diem annual base salary in effect for each Contract term. The CEO may accrue up to 60 days of vacation, which if not used, will be compensable upon termination of this Third Contract at the CEO's applicable per diem annual base salary during the term of this Contract.

The CEO shall earn three days of personal leave during the term on this Third Contract year. Upon the end of the term of this Third Contract or upon termination of this Third Contract, the CEO shall receive a payment for all accrued personal leave during the term of this Third Contract, and for any carry over personal leave, if any, accrued during the term of the First and Second CEO Contracts, at the CEO's applicable per diem rate of annual base salary, then in effect, at the time of each applicable Contract term.

The CEO annually shall earn 18 days of sick leave during the term of this Third Contract, and shall have access to any unused sick leave carried over from her First and Second CEO Contracts. Upon the end of the term or upon termination of this Third Contract, the CEO shall receive payment for one day's sick pay for each four days of unused accumulated sick leave at her per diem rate of annual base salary during the term of the Third Contract.

7.6 Automobile Allowance:

The Board shall provide the CEO with an automobile allowance of Eight Hundred Dollars (\$800.00) per month, with which the CEO is to pay costs associated with maintaining and operating her personal automobile, e.g., lease or car payments, oil, gas, repairs, and insurance.

7.7 Business Expenses:

The Board shall reimburse the CEO for reasonable and necessary expenses incurred by the CEO in the course of City Schools' business.

VIII. IMMUNITY/INDEMNITY

To the fullest extent possible, the CEO shall be covered and protected by Maryland Local Tort Claims Act and any other Maryland law providing for immunity for City Schools' employees. The Board agrees, as a further condition of this Third Contract, that it shall defend, hold harmless, and indemnify the CEO from any and all demands, claims, suits, actions, and legal proceedings brought against the CEO in her individual capacity or in her official capacity as an agent and employee of the Board provided the incident arose while the CEO was acting in the course and scope of her employment. If in the good faith opinion of the Board, a conflict exists regarding the defense of such a claim between the legal position of the Board and the legal position of the CEO, the CEO shall in consultation with the City Schools' General Counsel and the Board engage her own legal counsel. The Board agrees that it shall reimburse the CEO for all necessary and reasonable expenses and attorney's fees expended on her behalf for the defense by her of any claims asserted against her.

IX. ANNUAL GOALS FOR CITY SCHOOLS

Not later than August 15th, for this Third Contract, the CEO shall submit to the Board for the Board's consideration and adoption, proposed goals for the City Schools. Upon its review of the goals and completion of any meetings, if required, with the CEO for discussion and approval of the goals, the Board will approve the goals by the first day of the school year for each year of this Third Contract. The goals shall be among the criteria used by the Board should it review and evaluate the CEO's performance pursuant to Section X. The Board agrees to work with and support the CEO in implementing these goals.

X. REVIEW OF PERFORMANCE

10.1 Time and Basis of Evaluation:

The Board may evaluate and assess in writing the performance of the CEO. The Board may assess and evaluate the CEO's performance based upon factors including, but not limited to: the agreed-upon annual goals for the City Schools; demonstrated improvement in the academic performance of students in the City Schools; successful management of the City Schools; progress in implementing approved goals and objectives of the Master Plan and the Board's strategic plan; implementation of the budget; promotion of community involvement; satisfaction with City Schools' programs; creation and maintenance of a satisfactory working relationship with the Board; and improvement of programs and services of City Schools. The evaluation and assessment shall also be reasonably related to the duties of the CEO as outlined in Section II of this Third Contract.

XI. CONFIDENTIALITY OF CEO'S EVALUATION

The evaluations of the CEO during the First, Second and Third Contracts and information concerning the evaluation, of whatever nature, shall be considered confidential unless the Board and the CEO agree otherwise.

XII. TERMINATION OF EMPLOYMENT CONTRACT

12.1 Mutual Agreement:

The Board and the CEO may terminate this Third Contract by mutual agreement of the CEO and the Board provided, however, that the Board shall be responsible for the payment of annual base salary and health/medical benefits for the remainder of the Contract year, i.e., through June 30.

12.2 Termination by Board Without Cause:

The Board may, at its option, by a minimum of 45 days written notice to the CEO unilaterally terminate this Third Contract upon execution of a mutually-agreeable release and payment of severance pay for the remaining months of the term of the Third Contract at the CEO's then annual base salary and of health/medical benefits.

12.3 Death:

This Third Contract shall terminate upon the death of the CEO.

12.4 Resignation/Retirement:

The CEO may relinquish the position and duties of the CEO and leave the employment of the City Schools, provided the CEO submits a resignation or notice of retirement in writing to the Board. The CEO should provide at least 45 days advance notice of her intention to retire or resign, unless such timely notice is waived by the Board. Upon the acceptance of

such written resignation by the Board, the respective rights, duties and obligations stated herein shall terminate. Upon resignation or retirement, compensation will be provided through the date of resignation or retirement and will include a lump sum payment of accrued vacation leave, personal leave, and sick leave conversion pay, as provided for herein.

12.5 Disability:

During the term of this Third Contract, the Board shall provide the CEO, at the Board's expense, a choice of a voluntary long-term disability insurance policy that is provided to other City Schools' employees or a comparable policy. In addition, the Board will provide the CEO a short-term disability policy to cover the elimination period of the voluntary long-term disability policy.

In the event it is determined that the CEO is unable to perform her duties, with or without reasonable accommodations, by reason of illness, accident or other causes beyond her control and said incapacity is permanent, irreparable, or of such a nature that a reasonable accommodation cannot be made and the condition renders the CEO's continued performance of the terms and conditions of this Third Contract unfeasible, the Board, upon a majority vote of the membership, may elect to terminate this Third Contract at which time the respective duties, rights, and obligations of each Party shall terminate except as may otherwise be provided for herein. Prior to any vote of the Board, the Board may require that the CEO be examined by a State Licensed Physician/Psychiatrist, selected by the Board. The Physician/Psychiatrist shall furnish to the Board a written medical report, which shall indicate the status of the CEO's physical and/or mental condition and his ability, with or without reasonable accommodations, to physically and/or mentally perform the duties and

responsibilities of the CEO. The cost of all such medical examinations and reports shall be paid by the Board.

An arbitration hearing may be requested by the CEO, in accordance with Section 12.7 of this Third Contract. Alternatively, if the period of incapacity is not permanent, the Board in its sole discretion, may relieve the CEO of her duties with pay for a period not to exceed six months or until such time as the Physician/Psychiatrist determines and reports that the CEO is once again able to return to employment and perform the duties of the CEO, whichever is shorter.

12.6 <u>Dismissal for Cause:</u>

If the CEO willfully breaches or intentionally neglects the duties that the CEO is required to perform under the terms of this Third Contract, the Board may, in its discretion, notify the CEO, in writing, of its intent to terminate the CEO's employment. The Board shall make a determination to terminate the CEO by majority vote of the Board and the Board shall provide the CEO notice of the decision in writing, including the reasons for the decision. Willful breach or intentional neglect of duty shall have a standard as established by Maryland law for terminating educators. The CEO may challenge the termination in accordance with the arbitration provision at Section 12.7 of this Third Contract. The Board agrees that it shall not arbitrarily or capriciously call for dismissal of the CEO for cause.

12.7 Arbitration:

The Board and the CEO expressly agree that disputes arising in connection with incapacity, the termination of the employment relationship or to post-termination tort or federal statutory right claims shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within 10 (ten) work days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall be arbitrated pursuant to the rules promulgated by the AAA. The parties will select by mutual agreement the arbitrator to hear and resolve the controversy. The express terms of this Third Contract and the laws of the State of Maryland shall govern the arbitrator. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action, or proceeding instituted in any federal, state, or local court or administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. These arbitration provisions shall survive the termination of this Contract.

12.8 Terminal Benefits:

Following termination or the end of this Third Contract for any reason, the CEO, or in the event of the CEO's death, the CEO's estate shall be entitled to: any earned, but unpaid base salary due at the time of termination of this Third Contract and any vested retirement, accrued deferred compensation and vested benefits, including personal and vacation days.

XIII. MISCELLANEOUS

13.1 Controlling Law:

This Third Contract shall be governed by the laws of the State of Maryland and shall be performed in Baltimore City, Maryland.

13.2 Complete Agreement:

This Third Contract supersedes all prior oral and written proposals or communications between the parties. This Third Contract embodies the entire agreement between the parties hereto and cannot be varied or amended except by written agreement of the undersigned parties.

13.3 Waiver:

No waiver of any provision of this ThirdContract shall be deemed or shall constitute a waiver of any other provision. Nor shall any waiver constitute a continuing waiver unless expressly stated.

13.4 Severability:

It is intended and understood by the parties hereto that this Third Contract complies with all applicable laws and statutes of the State of Maryland and the United States in effect at the time of its execution. If for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected. If any portion of this Third Contract is found in violation of the law, then said portion will be given effect in such manner as will best carry out the purposes and intentions of the parties. The Baltimore City Board of School Commissioners has caused this Third Contract to be signed in its name by the Board Chair and has affixed its seal and the CEO has hereunto set her hand and seal this 12th day of June, 2024.

BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS

Sonja Santelises, Ed.D. Chief Executive Officer

Ronald S. McFadden

Board Chair

ATTEST:

Approved by the Baltimore City Board of School Commissioners