

Transition Plan to Sever Contracts with Global
Update as of August 2, 2017

We are pleased to report that CEG is on-schedule with our transition plan to sever our contractual relationships with Global, and that the transition has been progressing smoothly.

Back on May 31, 2017, the CEG Board of Directors authorized termination of the two contracts between CEG and Celerity Global: (1) Agreement for Limited Services; and (2) Agreement for Miscellaneous Services, which provided CEG with a suite of services. The terminations were sent on June 2, 2017, triggering the 120 day-notice period that will expire on September 30, 2017. CEG's Board also did not renew its annual contracts with Attenture, a Global-affiliate that assisted with information technology.

To allow for an orderly transition of the services, in June we explained that CEG intended to follow a request for proposals process (RFPs) that would aim for full implementation by August 15, 2017 for (1) Back Office, (2) Payroll Services, (3) Human Resources Information Services (HRIS), (4) public relations, and (5) E-Rate Services. Each of these were posted on or before June 16, 2017 (although we decided to combine payroll and HRIS to improve efficiency). On Monday, July 31, the audit & compliance committee reviewed the proposals and decided on which vendors to recommend to the full Board for selection. The Board will consider those recommendations at its next meeting, this coming Thursday, August 3, 2017, and if necessary, the meeting scheduled for Sunday, August 6, 2017.

Our internal hiring has also progressed on-schedule. As planned, we have been actively posting, recruiting, and hiring key executive team positions since late May. We have hired a Chief Academic Officer and an interim Chief Operations Officer (instead of a director of operations), and expect to hire a Chief Financial Officer soon (likely this month).

We are also ready for the transition away from reliance on Global for special education, pupil services, and human resources. We have already hired a Director of Special Education, a Director of Human Resources, and expect to hire a Director of Pupil Services soon.

Finally, we are also transitioning away from our reliance on a Global-affiliate, Attenture, for our information technology (IT) needs. We have posted a position for a Director of IT, have hired site-based IT technicians, and are actively investigating options for third-party IT security and network support as well.

By October 1, 2017, we expect to have severed all ties with Global and Global affiliates. We believe based on our progress to date that the transition will continue to proceed smoothly and have minimal impact on the services and programs provided to our students. Our board and administration look forward to the upcoming school year and building on our track record of high academic success and the personal achievements of our students.