

May 4, 2022

Gareth D. Pahowka, Esquire
Direct Dial: (717) 849-4116
gpahowka@stockandleader.com

Dr. George Ioannidis, Superintendent
Spring Grove Area School District
100 E. College Avenue
Spring Grove, PA 17362-1219

Re: Proposal for School Solicitor Services for 2022-2023 fiscal year

Dear Dr. Ioannidis:

At Stock and Leader we stand on a legacy as the oldest continuously operating School Law practice in Central PA. Because we are not starting from scratch, our attorneys are at the forefront of issues affecting public schools and are focused on providing groundbreaking, value-driven solutions that enhance your District's daily operations. We are committed to an on-going partnership with the District.

Relationship and Fee History. Over the past 26 years, we have been proud to partner with Spring Grove Area School District to provide tailored advice that confronts your diverse needs. We have also worked hard to control the escalation of our hourly rates. On average, our rates have increased just two to three percent each year over the last five to ten years. We have worked hard to maintain rates that are greatly discounted from the traditional legal market – for the public good.

Proposed Fee Arrangement. The information below will summarize our proposed fee arrangement for the 2022-2023 fiscal year. A \$5/hour increase, averaging out to 1-2.5% of our current fees, will be implemented across all rate structures for the majority of our school district clients, as we have done in many other school years. In our attempt to re-align our rates for complete consistency across Districts, a few Districts will have a slightly higher increase at some rate levels, and a few will have a small rate hold. Our focus is to provide predictable increases that remain below the Act 1 index for your District and to ensure there is almost no market variation in rates across clients.

Timekeeping. As in the past with limited exceptions, our fees will be based on hourly rates, with increments of 1/10 of an hour for time devoted to Spring Grove Area School District matters, including telephone calls, file review, and travel. Our absence from the office on behalf of our clients is recorded on the same basis as our work in the office, which takes into account, in part, our unavailability to other clients during such periods. We minimize travel whenever possible.

Retainer. We do not require a fixed fee retainer for our appointment as Solicitor or before any specific representation. Therefore, we charge our clients when they use our services on an “as needed” basis. As always, we reserve the right to decline to perform or to continue to perform a requested service at any time.

Billing. At the end of any month that more than minimal services are rendered, we provide a description of the nature, date, and amount of time attributable to each entry, along with an invoice for the period. If you have questions about your bill, do not hesitate to contact our Controller, Lanette Dehoff, or my assistant, Marci Barna at (717) 846-9800.

Resources and Out Of Pocket Expenses. We do not charge for computerized research, and we do not charge for telephone expense or facsimile transmissions. However, eDiscovery services, stenographic services, in-house composition of briefs and records (i.e. printing, collating and binding), costs for hearing officers or arbitrators, witness fees, photocopying (\$.15 per copy), and court costs, where required, are charged to our clients at cost. When charges are substantial, we may ask you to pay these costs directly.

Duplicate Time. One of our core values is to provide efficient services. Unless there is a particular benefit to the client, or unless previously approved by the client, we do not charge for “duplicate” time; that is, time spent by more than one attorney when conferring among ourselves. We maintain excellent files, and are able to provide answers quickly, without extensive research, by relying upon our research database. We minimize chargeable time spent on many questions, simply by virtue of our experience. Technology, email, experience, and collaborative work all reduce the effective hourly rate paid by our clients. At times and where appropriate, discounts are provided to assure a fair result, and that often means that attorneys “share” time on a project, that might otherwise result in duplicated time.

Collaborative Policy Work. We routinely host client-wide conference calls or receive requests for collaborative advice (e.g., Right to Know Law) from a few of our Districts in one county. We are regularly engaging in policy review work. As a result, we have a unique capacity to create documents that can be used by multiple clients, and where the clients have the opportunity to share the cost for the legal work. We will give you notice of opportunity to participate in this collaborative work. Similarly, our policy work builds off of the latest review, while allowing us to tailor a policy to a client’s specific District or concern. As a result, our billing will reflect a shared fee for the value of the service performed, which fee is substantially below the cost for a singular District to pay for the legal work performed by the attorneys involved.

Bond Work and Fee. Bond issues and similar financing matters will be billed on a transactional basis, agreed to in advance. We have the capacity to act as both Bond and Special Counsel, for the benefit of the District.

Insurance Defense Work. Primarily in the area of special education defense work, where a Parent has filed for an administrative hearing against the District, our rates may change, based upon the agreement with the insurance company involved. In every case, that means our reduced rates charged to the District are billed at an even lower, “insurance defense” rate applicable to the insurance matter. Thus, our regular rate for special education work will be billed to you directly on an insurance matter until the deductible is met (at the fee rate prescribed by the insurance company). We ask that you pay our monthly bills at the rates listed below, and we then will (1) work directly with the insurance company to ensure appropriate updates, budgets, and case analyses; (2) monitor application of any insurance deductible and/or cost-sharing requirements; and (3) regularly submit claims for reimbursement at the appropriate insurance rates on your behalf to the insurance company, with the appropriate insurance codes. In all cases in which insurance coverage may be available, the ultimate responsibility for payment of our charges will remain with you.

Efficiency and Assignment of Work. We strive to assign work that considers the capability, efficiency, and expertise necessary and appropriated for any given measure. In order to determine the chargeable time to be attributed to a given task, we consider the efficiency and expertise normally required for the task involved, the complexity or novelty of the task, our prior time investment in development of research materials or forms, the benefits to the client, and time limitations imposed by the client or circumstances. We pride ourselves on maintaining a team of attorneys (and legal staff) with varying years and types of expertise. For example, if a project requires extensive document review, we routinely assign the initial review to an experienced paralegal or associate, to ensure that the majority of the time commitment is spent at a lower rate, and a more senior attorney is only used for questions or final decisions.

Meeting Coverage. We regularly attend meetings for Districts we serve as Solicitors in a variety of practices. Do not hesitate to consider and schedule Solicitor attendance that makes sense for your District’s needs (e.g., regular attendance, pre-meeting call-ins, Zoom/Teams meetings, on-call, or selected attendance on an as-needed basis). If the Board does request regular meeting attendance, we generally rotate and share meeting coverage so the Board becomes familiar with all members of our team over time.

Client File Retention. Please be advised that at the conclusion of any specified matter, we will maintain the file for seven (7) years. At the end of the seven (7) years, unless requested by you in writing, we will either scan or destroy the file in accordance with our firm’s file retention and destruction policy. After the seven (7) year retention period, the decision whether to continue to retain or destroy a file will be a purely economic one determined at our sole discretion, unless we hear from you.

Current Rates. Our current hourly rates for chargeable time vary, depending upon the complexity of the matter involved and the attorney or staff member providing the service. We consider labor/employment, special education, and dedicated construction project guidance

complex work requiring specialized knowledge. In these areas, the risk of litigation, amount of inter-agency coordination, need for “industry-knowledge,” and demand for strategic and proactive defense measures is much higher than routine solicitor work. Not all members of our legal team are qualified to provide these higher-level services. As always, we will not increase rates for other specialty (environmental, tax, or real estate) matters, but will discuss with you in advance of any fee change.

General Solicitor Work

\$215.00 for Partners

\$190.00 for Associates

\$130.00 for Paralegals or other professionals

Labor/Employment, Special Education,
and Dedicated Construction Project Guidance

\$235.00 for Partners

\$200.00 for Associates

We look forward to continuing to provide you and the District with the region’s most responsive, collaborative, efficient, creative, and effective counsel. That said, please do not hesitate to contact me or a member of our firm’s Management Committee, Steven M. Hovis (Managing Partner), Ronald L. Hershner, or Neil A. Slenker, if you should have any questions or comments.

We value our partnership with the District and desire your specific feedback on our commitment.

Very truly yours,

STOCK AND LEADER

A handwritten signature in black ink, appearing to read "Gareth D. Pahowka". The signature is fluid and cursive, with a large initial "G" and a stylized "P".

Gareth D. Pahowka

GDP/mjb
cc: Lanette Dehoff, Billing