

DEFERRED DRAFT

05--1116--EX18

November 16, 2005

APPROVE THE ESTABLISHMENT OF THE CHICAGO VIRTUAL ACADEMY AND APPROVE ENTERING INTO A SCHOOL MANAGEMENT & PERFORMANCE AGREEMENT WITH CHICAGO VIRTUAL ACADEMY, AN ILLINOIS NOT FOR PROFIT CORPORATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board approve the establishment of the Chicago Virtual Academy and approve entering into a School Management & Performance Agreement with Chicago Virtual Academy, an Illinois not for profit corporation and wholly owned subsidiary of K12 Inc., for the operation of the Chicago Virtual Academy. The School Management & Performance Agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written School Management and Performance Agreement is not executed by the Board and K12 Inc. within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SCHOOL

OPERATOR: Chicago Virtual Academy
225 N. Michigan
Chicago, IL 60601-7757
Phone (406) 599-0769
Contact Person: Peter Stewart

OVERSIGHT: New Schools Development Department
125 S. Clark, 5th Floor
Chicago, IL 60603
Phone (773) 553-1530
Contact Person: Hosanna Mahaley Johnson

DESCRIPTION:

School Designation: Pursuant to the Board's Policy to establish Renaissance Schools, 05-1026-PO2, as amended ("Renaissance Policy"), the Chicago Virtual Academy will open in the fall of 2006 and is designated a Contract School as described in the Renaissance Policy. The Board designates Chicago Virtual Academy as a alternative school pursuant to 105 5/34-2.4b.

Public Hearing: A Public Hearing on the opening of Chicago Virtual Academy as a Renaissance Contract School was held on November 7, 2005 in accordance with the Renaissance Policy. The hearing was recorded. A summary report of the hearing is available for review.

Request for Proposals: In May 2005, the Department of New Schools Development issued a request for proposals to solicit responses from parties interested in starting schools under the Renaissance 2010 initiative. Proposals to operate either a charter, contract or performance school were submitted to the Board on August 19, 2005. Proposals were evaluated pursuant to the standards set forth in the Renaissance Schools Board Policy. Proposals were reviewed by the New Schools Development Department and a Comprehensive Evaluation Team and recommendations were submitted to the Chief Executive Officer based upon those reviews and evaluations.

Enrollment: Chicago Virtual Academy will enroll students citywide through an application process and will serve approximately 400 students in grades K-8. Students must be Chicago residents and have a parent or other responsible adult who is available on a daily basis to assist with their instruction.

Curriculum: Chicago Virtual Academy will provide instruction to students via on-line courses. Depending on grade level, students will spend the majority of their school day online. Lessons are presented in a mix of print and multimedia to enhance the learning experience and address different learning styles.

Certified teachers, parents, or other responsible adults will guide students through their daily coursework in their own home or other small group setting. Teachers will review the student's daily assessments and provide individualized feedback to the student. The school will have a resource center located at 321 North Clark Street, Chicago, IL 60610 for its administrative offices and provide conference rooms for student/teacher meetings and administering student assessments.

Equipment: Chicago Virtual Academy shall provide enrolled students with a computer and internet access at no cost and will also provide students with printed and other hands-on materials.

School Management Description: At a minimum, the School Management & Performance Agreement will address student academic outcomes and financial and management practices of the school and shall reflect resolution of any and all outstanding issues between the Board and the school operator including, but not limited to: site location, enrollment, funding, educational program, financial controls and practices, Board Rules and Policies, academic accountability and evaluations. In accordance with the Board's Renaissance Policy, each Contract School shall comply with applicable Board Policies unless the Board approves and exemption or an alternative policy.

TERM: The term of the School Management & Performance Agreement shall commence July 1, 2006 and end June 30, 2011. K12's School Management & Performance Agreement and Chicago Virtual Academy's designation as a Renaissance Contract School will expire on June 30, 2011 unless renewed or terminated earlier by the Board.

COMPENSATION: K12 will be paid on a per-pupil basis for the operation of the Chicago Virtual Academy.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions in the written School Management and Performance Agreement. Authorize the President and Secretary to execute the School Management and Performance Agreement, including, but not limited to: site location, enrollment, funding, educational program, financial controls and practices, Board Rules and Policies, academic accountability, evaluations, and including any indemnities to be provided to the contract school.

FINANCIAL: Using current year financial data, the General Fund cost of 200 students in 2006-07 will be approximately \$5,118,000. The financial implications will be addressed during the development of the 2006-2007 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY06 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

PERSONNEL IMPLICATIONS: As a Contract School, Chicago Virtual Academy will employ its own teachers and staff.

Approved for Consideration:

Approved:

Barbara Eason-Watkins
Chief Education Officer

Arne Duncan
Chief Executive Officer

Within Appropriation:

Approved as to Legal Form

John Maiorca
Chief Financial Officer

Patrick J. Rocks
General Counsel