

APPROVE THE ESTABLISHMENT OF THE EPIC ACADEMY AND ENTERING INTO A SCHOOL MANAGEMENT AND PERFORMANCE AGREEMENT WITH EPIC ACADEMY INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING DECISION:

Approve the establishment of the Expeditionary Path to Innovative Change ("EPIC") Academy at a location to be determined, and approve entering into a School Management and Performance Agreement with the EPIC Academy Inc., an Illinois not-for-profit corporation, for the operation of the EPIC Academy. This approval is contingent upon the school operator meeting certain benchmarks established by the Office of New Schools as detailed below, any required public hearings and Board approval of the location of the school. A written School Management and 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 the school operator within the time specified in an amended Board Report approving the site of the proposed school. Information pertinent to this matter is stated below.

SCHOOL OPERATOR: EPIC Academy Inc.
c/o Law Offices of Kathryn Vanden Berk
203 N. LaSalle Street, Suite 2100
Chicago, Illinois 60601
Phone: 773-710-4147
Contact Person: Matthew King, Principal

OVERSIGHT: Office of New Schools
125 S. Clark, 5th Floor
Chicago, IL 60603
773-553-1530
Contact Person: Josh Edelman, Executive Officer

DESCRIPTION:

School Designation: Pursuant to the Board's Renaissance Schools Policy, 07-0627-PO4, as amended ("Renaissance Policy"), EPIC Academy will open in the fall of 2009 as a Contract School as described in the Renaissance Policy. The Board hereby designates the EPIC Academy as a Small School pursuant to 105 ILCS 5/34-2.4b.

Public Hearings: Public hearings on the opening of the EPIC Academy as a Renaissance Contract School was held on October 7, 2008 and October 15, 2008 at the South Chicago Public Library, 9055 S. Houston, Chicago, IL 60617 and at Board Chambers, respectively, in accordance with the Renaissance Policy. The October 15th hearing was recorded and a summary report of both of the hearings is available for review.

Request for Proposals: In April 2008, the Office of New Schools issued a Request for Proposals to solicit responses from parties interested in starting schools under the Renaissance 2010 Initiative. Proposals to operate either a contract school, performance school or charter campus were submitted by interested parties to the Board on July 28, 2008. Proposals were evaluated pursuant to the standards set forth in the Renaissance Policy. Proposals were reviewed by the Office of New Schools and a Comprehensive Evaluation Team and recommendations were submitted to the Chief Executive Officer based upon those reviews and evaluations.

Enrollment: EPIC Academy will enroll students through a lottery with preference given to South Chicago community residents. EPIC Academy will enroll approximately 120 students in grade 9 for the 2009-10 school year. In subsequent years the school may serve up to 480 students in grades 9 through 12.

Attendance Boundaries: Once a school site for the EPIC Academy is identified, the process for establishing any attendance boundaries will be presented to the Board for approval.

Curriculum: The EPIC Academy aims to provide an Expeditionary Learning School/Outward Bound ("ELS") curriculum which will combine rigorous academic content and real world projects -- learning expeditions -- with active teaching and community service. Character development and teamwork are embedded in school structures, practices, and rituals and integrated into the academic program. The implementation of this philosophy includes core classes at each grade level, a daily College, Careers, and Skills course, and a weekly three-hour Innovative Change Project course. Through their core courses, students will build essential content knowledge and develop 21st century skills, all derived from a combination of state and ACT College Readiness Standards, and supported by multiple studies on the demands of the global labor market.

Advisory Body: A school advisory body will be established in a timely manner pursuant to 105 ILCS 5/34-2.4b and the Board's Renaissance School Policy in the following manner: the CEO or his designee in consultation with EPIC Academy Inc. shall develop the composition and duties of the advisory body for approval by the Board. Such requirements shall be included in the agreement with EPIC Academy Inc. The members of the advisory body will be appointed by the Board upon the recommendation of the CEO or his designee.

School Management Description: At a minimum, the School Management and 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, enrollment, funding, educational program, financial controls and practices, academic accountability and evaluations. In accordance with the Board's Renaissance Policy, contract schools may request exemptions from Board Rules and Policies or alternative policies subject to and upon Board approval.

CONTINGENT APPROVAL: The granting of a contract by the Board and the entering into a School Management and Performance Agreement is contingent upon any required subsequent public hearings and the school operator meeting benchmarks established by the Office of New Schools including, but not limited to, the enhancement of curriculum and professional development at the school and the approval of a school site. These benchmarks will be communicated to the school operator in a formal Letter of Conditions with all deadlines to be met by April 15, 2009. The Office of New Schools will oversee the enforcement of these deadlines; failure to meet these deadlines may, at the option of the Board, result in the rescission of the authority granted herein and the denial of the contract school application. A final review of the contract school application will be conducted by the Chief Executive Officer on or before May 15, 2009. This final review will be conducted to determine compliance with the terms indicated above. The CEO's recommendation to approve the contract school application will be subject to Board approval as indicated by a subsequent amendment to this Board Report.

TERM: Upon final review of this contract school application and Board approval of the site for the proposed school, the term of the School Management and Performance Agreement shall commence July 1, 2009 and end June 30, 2014. EPIC Academy Inc. and EPIC Academy's designation as a Renaissance Contract School will expire on June 30, 2014 unless renewed or terminated earlier by the Board.

COMPENSATION: EPIC Academy Inc. will be paid on a per-pupil basis for the operation of EPIC Academy. If EPIC Academy Inc. applies to the Renaissance Schools Fund for funding for the new school and is not approved for funding, the Board shall provide a one-time payment to the school for planning positions in an amount not to exceed \$170,000.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the school operator, in the written School Management and Performance Agreement. Authorize the President and Secretary to execute the School Management and Performance Agreement.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

AFFIRMATIVE ACTION: Not applicable.

FINANCIAL: Using current year financial data, the general fund cost of 120 students in 2009-10 (FY10) will be approximately \$926,880.00. The financial implications will be addressed during the development of the FY10 budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond the current FY09 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

PERSONNEL IMPLICATIONS: As a contract school, EPIC Academy, Inc. will employ its own principal, teachers and staff.

GENERAL CONDITIONS:

Inspector General – Each Party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness – The Board's indebtedness Policy adopted June 26, 2006 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

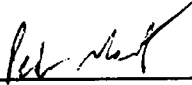
Ethics – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time shall be incorporated into and made a part of the agreement.

Approved:



Barbara J. Eason-Watkins
Chief Education Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Respectfully submitted:



Arne Duncan
Chief Executive Officer

Approved as to Legal Form: 



Patrick J. Rocks
General Counsel