

CHIEF EXECUTIVE OFFICER'S REPORT OF INCENTIVE COMPENSATION PLAN FOR INTERIM PRINCIPALS ASSIGNED TO CERTAIN SCHOOLS DESIGNATED AS TURN-AROUND SCHOOLS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING ACTION:

Pursuant to the authority delegated to the Chief Executive Officer under Board Rule 4-1(a)(3), the Chief Executive Officer has established an incentive compensation plan for interim principals assigned to certain schools that have been designated as "turn-around" schools ("the Incentive Plan").

DESCRIPTION:

The Board has designated some schools to be "turn-around" schools. A variety of measures have been undertaken at certain "turn-around schools" under the direction of the Chief Education Officer to help turn-around the academic performance of the school's students. In order to support that effort, the Chief Executive Officer has established the Incentive Plan for school principals at those "turn-around schools." The Incentive Plan provides for an assignment bonus payable to the principal shortly after assignment, regular compensation payable as salary on a bi-weekly basis and a performance bonus payable after the end of each regular school year after certain performance measures and data have been examined and analyzed by the Chief Executive Officer or designee. The Incentive Plan is effective beginning in the 2008-2009 school year and may be renewed by the Chief Executive Officer in subsequent school years.

Principals subject to Incentive Plan. The incentive compensation plan established applies to the following individuals for the 2008-2009 school year provided that they remain the assigned interim principal at their assigned school through the end of the 2008-2009 school year.

<u>Principal</u>	<u>Title</u>	<u>Assigned School</u>
Rolland Jasper	Interim Principal	Fulton Elementary School
Lynn McGinnis-Garner	Interim Principal	Copernicus Elementary
Lori Campbell	Interim Principal	Earle Elementary School
Kenyatta Stansberry-Butler	Interim Principal	Harper High School

Duration of Incentive Plan. The Incentive Plan shall be in effect for the 2008-2009 school year and may be renewed for subsequent years on a year-to-year basis.

Terms of Incentive Plan: The Incentive Plan includes a one-time assignment bonus, a base salary and benefits and an annual performance bonus as follows.

1. **Assignment Bonus:** The Board shall pay Principals a one-time assignment bonus of Ten Thousand Dollars (\$10,000) on or after their assignment to the interim principal position at their assigned school. The assignment bonus shall not be considered part of the Principal's full salary rate and shall not be subject to pension contributions. Payment of this assignment bonus shall be subject to all standard withholdings and deductions.

2. **Base Salary and Benefits:** The Board shall pay a base salary to the principals in accordance with the Administrative Compensation Plan, including all benefits for which full-time, regularly appointed certificated employees are eligible.

3. **Annual Performance Bonus.** After the end of the 2008-2009 school year, the Board shall pay principals an annual performance bonus based on whether and to what extent their assigned school meets certain performance measures as follows:

- (a) **Performance Measures:** A Principal shall be eligible to receive an annual performance-based bonus in accordance with paragraph 3(b) upon a determination by the CEO that the Principal met at least two of the performance measures for, as applicable, elementary principals or high school principals.

(collectively referred to as "Performance Measures"):

ELEMENTARY SCHOOL PRINCIPALS' PERFORMANCE MEASURES

<u>Performance Measure</u>	<u>Description</u>
1	<i>Annual Performance Evaluation:</i> Principal is rated as meeting or exceeding the standards for all principals in the district-wide evaluation conducted by the Chief Executive Officer or designee;
2	<i>Performance Measure 2 - Adequate Yearly Progress ("AYP"):</i> The assigned school's students, including all subgroups, makes AYP as determined by the Illinois State Board of Education.
3	<i>Performance Measure 3 - Annual Reading Failure Rate:</i> There is at least a 10% reduction in the number of students at the assigned school who are not meeting state standards in Reading as measured by the Illinois Standards Achievement Test (ISAT) as compared to the prior year's failure rate
4	<i>Annual Math Failure Rate:</i> There is at least a 10% reduction in the number of students at the assigned school who are not meeting state standards in Math as measured by the Illinois Standards Achievement Test (ISAT) as compared to the prior year's failure rate.

HIGH SCHOOL PRINCIPALS' PERFORMANCE MEASURES

<u>Performance Measure</u>	<u>Description</u>
1	<i>Annual Performance Evaluation:</i> Principal is rated as meeting or exceeding the standards for all principals in the district-wide evaluation conducted by the Chief Executive Officer or designee.
2	<i>Adequate Yearly Progress ("AYP"):</i> The Attendance Center, including all subgroups, makes AYP as determined by the Illinois State Board of Education.
3	<i>Annual Reading Failure Rate:</i> There is at least a 10% reduction in the number of students at the assigned school who are not meeting state standards in Reading as measured by the Prairie State Achievement Examination (PSAE) as compared to the prior year's failure rate.
4	<i>Annual Math Failure Rate:</i> There is at least a 10% reduction in the number of students at the assigned school who are not meeting state standards in Math as measured by the Prairie State Achievement Examination (PSAE) as compared to the prior year's failure rate.
5	<i>Annual Science Failure Rate:</i> There is at least a 10% reduction in the number of students at the assigned school who are not meeting state standards in Science as measured by the Prairie State Achievement Examination (PSAE) as compared to the prior year's failure rate

- (b) Performance Bonus Amount: The maximum annual bonus that the Principal is eligible to receive is \$10,000.00. The actual bonus amount shall be determined based upon the number of performance measures that the Principal's assigned school and its students meet as follows:

FOR ELEMENTARY SCHOOL PRINCIPALS:

Performance Measure	Bonus Amount Eligibility
1 and 2 met	100% of Maximum Bonus Amount
1, 3, and 4 met	75% of Maximum Bonus Amount
1 met and either 3 or 4 met	50% of Maximum Bonus Amount
1 met (2, 3 and 4 not met)	No Bonus
1 not met (but 2, 3 or 4 are met)	No Bonus

FOR HIGH SCHOOL PRINCIPALS

Performance Measure	Bonus Amount Eligibility
1 and 2 met	100% of Maximum Bonus Amount
1, 3, 4, and 5 met	75% of Maximum Bonus Amount
1 met and either 3, 4, or 5 met	50% of Maximum Bonus Amount
1 met (2, 3, 4, and 5 not met)	No Bonus
1 not met (but 2, 3, 4, or 5 are met)	No Bonus

- (c) Performance Bonus Notification: After the evaluation of the Performance Measures for the 2008-2009 school year the Chief Executive Officer shall notify Principals in writing about whether they are eligible to receive a performance bonus and the bonus amount. The Principal may appeal the performance bonus determination by submitting a written request for appeal to the Chief Executive Officer.
- (d) Performance Bonus Payment: Upon the Chief Executive Officer's determination that a Principal is eligible for a performance bonus, the Principal shall receive payment of the bonus in a lump sum amount less any standard withholdings and deductions. The bonus payment amount shall not be considered part of the Principal's full salary rate and shall not be subject to pension contributions.


FINANCIAL: Expenditures required by this report for Fiscal Year 2009 are included in the Fiscal Year 2009 Budget and funds have been appropriated by the Board for those expenditures. Expenditures required by this report for future fiscal years are contingent on future appropriation by the Board.

Approved for Consideration:




Barbara Eason-Watkins
Chief Education Officer

Approved:




Arne Duncan
Chief Executive Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel

Within Appropriation:



Pedro Martinez
Chief Financial Officer

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