

**APPROVE PROPOSALS FOR ALTERNATIVE EDUCATION OPTIONS
FROM THE CALL FOR QUALITY SCHOOLS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING DECISION:

That the Board approve proposals for alternative education schools and services identified in Appendix A and approve entering into written performance agreements for the operation of alternative contract schools or Alternative Learning Opportunities Programs, as appropriate.

DESCRIPTION: In June 2012, the CEO made available the Call for Quality Schools to solicit responses from parties interested in providing a range of new school proposals, including alternative education school services as charter schools, contract schools or Alternative Learning Opportunities Program (ALOP) service providers. Proposals were evaluated using the criteria and standards set forth in the Call for Quality Schools.

A Public Hearing to review the proposals identified in Appendix A was held on January 18, 2013 at 5:00 p.m. in the Board Chambers located at 125 S. Clark St., 5th Floor, Chicago, Illinois 60603. The hearing was recorded and a summary report is available for review.

CONTINGENT APPROVAL: Final authorization of any proposals approved herein is contingent upon the school operators and service providers meeting benchmarks identified by the Network of Alternative Schools and the Office of New Schools including, but not limited to, the identification of a school site and a process of community engagement. These benchmarks will be communicated to the school and program operators in a formal Letter of Conditions with all deadlines to be met by April 15, 2013. The Alternative Network, in collaboration with 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.

FINANCIAL IMPACT: If approved, these schools and programs will create 662 new ALOP seats at an estimated cost of approximately \$2.5 million.

Based on past enrollment patterns in ALOP programs, an estimated 50% of the new ALOP seats (331 seats) will be filled with students who would not otherwise be served by another CPS school. The other 50% will be filled by students transferring from other schools within the district.

When a student transfers from a district school to an ALOP program, the increased costs of the ALOP program are offset by a corresponding decrease in funding at the district school. There is no net cost increase to the Board as a whole.

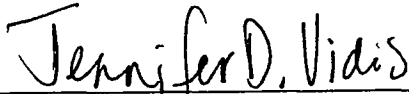
However, the estimated 50% of seats filled by students who would not otherwise be served by another district school because they have dropped out are considered additions to district's overall enrollment and create additional costs for the Board without a corresponding cost offset.

Therefore, using the FY 13 charter high school tuition rate (\$7,587) as an estimate of the cost per seat, the net cost of the new ALOP seats will be approximately \$2.5 million in FY14. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures in FY 14 and beyond are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.


Assuming that district enrollment will increase by 331 students, these students will be included in the average daily attendance ("ADA") counts, which will increase the amount of general state aid that the district receives. However, there is a one-year delay in revenue; additional ALOP students served in FY 14 will not generate revenue for the district until FY 15. Furthermore, the additional state revenue gained from addition ALOP enrollment will not be enough to offset the additional costs of serving those students.

Approved for Consideration:

Respectfully Submitted:

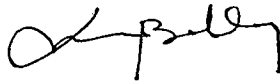


Jennifer D. Vidis
Chief of Schools, Alternative Network



Barbara Byrd-Bennett
Chief Executive Officer

Approved as to Legal Form:



James L. Bebley
General Counsel

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APPENDIX A
CALL FOR QUALITY SCHOOLS ALTERNATIVE EDUCATION PROPOSALS TO BE APPROVED

Name	Type	Grades	# of Schools/Sites	Expected Opening
Pathways in Education	ALOP provider	9-12	2	Fall 2013
Edison Learning – Magic Johnson Academy	ALOP provider	7-12	2	Fall 2013
Little Black Pearl Art & Design Academy	Contract school	9-12	1	Fall 2013
Banner Schools	ALOP provider	9-12	1	Fall 2013