

AMEND BOARD REPORT 15-0527-EX27
AMEND BOARD REPORT 14-0723-EX4
AMEND BOARD REPORT 14-0528-EX16
AMEND BOARD REPORT 13-0724-EX3
AMEND BOARD REPORT 13-0522-EX3

**APPROVE ENTERING INTO AGREEMENTS WITH VARIOUS PROVIDERS FOR
ALTERNATIVE LEARNING OPPORTUNITIES PROGRAM SERVICES**

**THE CHIEF EXECUTIVE INNOVATION AND INCUBATION OFFICER RECOMMENDS THE
FOLLOWING DECISION:**

Approve entering into agreements with the providers listed below for Alternative Learning Opportunities Program (ALOP) Services. Written agreements for services are being negotiated. No services shall be provided by any provider and no payment shall be made to any provider prior to the execution of such provider's written agreement. The authority granted herein shall automatically rescind as to each provider in the event a written agreement for such provider is not executed within 120 days of the date of this amended Board Report. Information pertinent to these agreements is stated below.

This July 2013 amendment is necessary to add an additional ALOP provider, Prologue Inc., and increase the number of ALOP seats.

This May 2014 amendment is necessary to (a) increase the student enrollment at the existing campuses for Banner Learning Corp., Ombudsman Educational Services, Ltd and Edison Learning, Inc., (b) include additional campuses for Ombudsman Educational Services, Ltd, Edison Learning, Inc. and Pathways in Education - Illinois, Inc. opening in the fall of 2014 with the corresponding increases in student enrollment for those providers, and (c) authorize the disbursement of one-time incubation and startup funds to Ombudsman Education Services, Ltd, Edison Learning, Inc. and Pathways in Education – Illinois, Inc. for their additional campuses opening in the fall of 2014. The authority granted herein shall automatically rescind as to each provider in the event a written amendment to the agreement for such provider is not executed within 120 days of the date of this amended Board Report.

This July 2014 amendment is necessary to (a) delay the start dates for the additional campus for Ombudsman Educational Services, Ltd and one of the additional campuses for Edison Learning, Inc. from the fall of 2014 to the second semester of the 2014-2015 school year, and (b) permit Ombudsman Educational Services, Ltd to serve its additional 400 students at its current campuses until the opening of the new campus in the second semester of the 2014-2015 school year. The authority granted herein shall automatically rescind as to each provider in the event a written amendment to the agreement for such provider is not executed within 120 days of the date of this amended Board Report.

This May 2015 amendment is necessary to (a) delay the start date for the additional campus for Edison Learning, Inc. from the 2014-2015 school year to the 2015-2016 school year and (b) delay the corresponding authorization of the disbursement of one-time incubation and startup funds to such provider for its additional campus until its facility has been approved by the CPS Facilities Department. The authority granted herein shall automatically rescind in the event a written amendment to the agreement for such provider is not executed within 90 days of the date of this amended Board Report.

This May 2015 amendment is also necessary to (c) delay the start dates for the additional campuses for Ombudsman Educational Services, Ltd and Pathways in Education-Illinois, Inc. from the 2014-2015 school year to the 2016-2017 school year and (d) delay the corresponding authorization of the disbursement of one-time incubation and startup funds to such providers for their additional campuses until the fall of 2016 contingent upon sites being identified by the providers and approved by the CPS Facilities Department. The authority granted herein shall automatically rescind as to each provider in the event a written amendment to the agreement for such provider is not executed by August 24, 2016.

This April 2016 amendment is necessary to rescind the authority to (a) open additional campuses for Ombudsman Educational Services, Ltd and Pathways in Education-Illinois, Inc. for the 2016-2017 school year, (b) approve the corresponding increase in enrollment for those campuses, thereby decreasing the student enrollment for such providers, and (c) disburse one-time incubation and startup funds to such providers for their additional campuses for the fall of 2016. The authority granted herein shall automatically rescind as to each provider in the event a written amendment for such provider is not executed within 120 days of the date of this amended Board Report.

PROVIDERS:

Banner Learning Corp. - Chicago
~~1243 S. Wabash Avenue, Suite 503~~ 10136 S. Utica Avenue,
Chicago Evergreen Park, Illinois 60605805
Contact Name: Eric Carlton, President
Contact Phone: 773-934-2328

Pathways in Education - Illinois, Inc.
320 N. Halstead Street, Ste. 210
Pasadena, California 91107
Contact Name: Jamie Hall, President
Contact Phone: 626-204-2550

Edison Learning, Inc.
900 S. Gay, Suite 1000
Knoxville, Tennessee 37902
Contact Name: Chris Wilberding, Vice President Operations -
Alternative Education Solutions
Contact Phone: 201-630-2861

Ombudsman Educational Services, Ltd
1585 N. Milwaukee Ave., Suite 2
Libertyville, Illinois 60048
Contact Name: Mark Claypool, President & CEO
Contact Phone: 615-361-4000

Prologue Inc.
1135 N. Cleaver
Chicago, IL 60642
Contract Name: Dr. Nancy Jackson, Executive Director
Contact Phone: 773-935-9925

OVERSIGHT:

Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Contact Name: ~~Jack Elsey, Chief Innovation and Incubation Officer,~~
Mary K. Bradley, Executive Director
Contact Phone: 773-553-1530

ALOP PROPOSALS: In June 2012, the CEO made available the Call for Quality Schools to solicit responses from parties interested in providing a range of new alternative option school and program proposals, including proposals for ALOP services. ALOP proposals were submitted by Banner Learning Corp., Pathways in Education - Illinois, Inc. and Edison Learning, Inc. in response to the Call for Quality Schools. The proposals were evaluated using the criteria and standards set forth in the Call for Quality Schools and on January 23, 2013, the Board provided contingent approval of these proposals (Board Report 13-0123-EX2). In addition, to create additional capacity to serve out-of-school and at-risk students, the CEO made available a Request for Proposals for New Options in January 2013 to solicit additional proposals for alternative options schools and programs. As a result, ALOP proposals were submitted by Ombudsman Educational Services, Ltd and Prologue Inc. and evaluated using the criteria and standards set forth in the RFP.

In January and February 2014, four of the five providers submitted material modifications to (a) increase the student enrollment at the existing campuses for Banner Learning Corp., Ombudsman Educational Services, Ltd and Edison Learning, Inc. and (b) include additional campuses for Ombudsman Educational Services, Ltd, Edison Learning, Inc. and Pathways in Education - Illinois, Inc. opening in the fall of 2014 with corresponding increases in student enrollment for those three providers.

In June 2014, the Office of Innovation and Incubation (I&I) was notified that there would be a delay in the start dates for the additional campus for Ombudsman Educational Services, Ltd and one of the additional campuses for Edison Learning, Inc. from the fall of 2014 to the second semester of the 2014-2015 school year. Ombudsman Educational Services, Ltd also requested to serve its additional 400 students at its current campuses until the opening of its new campus in the second semester of the 2014-2015 school year.

In February 2015, Edison Learning, Inc. submitted a material modification to delay the start date for its additional campus from the 2014-2015 school year to the 2015-2016 school year and identified a viable permanent facility for its additional campus. I&I is approving the request to delay the opening of that campus until the 2015-2016 school year contingent upon the approval of the facility by the CPS Facility Department.

In May 2015, Ombudsman Educational Services, Ltd submitted a material modification to delay the start date for its additional campus from the 2014-2015 school year to the 2016-2017 school year. I&I is approving the request to delay contingent upon Ombudsman Educational Services, Ltd identifying a viable permanent facility for their additional campus and the approval of the facility by the CPS Facility Department.

Pathways in Education-Illinois, Inc. submitted a material modification to delay the start date for its additional campus from the 2014-2015 school year to the 2015-2016 school year. I&I denied the delay to the 2015-2016 school year due to lack of facility readiness. However, I&I is approving Pathways in Education-Illinois, Inc. to delay the start date for its additional campus until the 2016-2017 year contingent upon Pathways in Education-Illinois, Inc. identifying a viable permanent facility for its additional campus and the approval of the facility by the CPS Facility Department.

A public hearing on those proposed changes was held on May 21, 2015. The hearing was recorded and a summary report is available for review.

In January 2016 I&I received written notification from Pathways in Education-Illinois, Inc. that it no longer intended to open an additional campus in the fall of 2016, thereby decreasing the total enrollment of Pathways in Education – Illinois, Inc. from 1,200 students to 900 students for the 2016-2017 school year. The authority for Pathways in Education-Illinois, Inc. to open this campus in the fall of 2016 shall be rescinded.

This April 2016 amendment is also necessary to rescind the authority for Ombudsman Educational Services, Ltd to open an additional campus in the fall of 2016 as the site for this campus has not been identified. As a result, the total enrollment for Ombudsman Educational Services, Ltd shall decrease from 1,600 students to 1,250 students for the 2016-2017 school year.

A public hearing on those proposed changes was held on Tuesday, April 19, 2016. The hearing was recorded and a summary report is available for review.

TERM: The term of the agreement with Banner Learning Corp. shall commence July 1, 2013 and end June 30, 2016, unless terminated earlier by the Board. The terms of the agreements with Pathways in Education – Illinois, Inc., Edison Learning, Inc., and Ombudsman Educational Services, Ltd shall commence July 1, 2013 and end June 30, 2018, unless terminated earlier by the Board. The term of the agreement with Prologue Inc. shall commence August 1, 2013 and end June 30, 2016, unless terminated earlier by the Board.

PROGRAM SERVICES: Providers shall provide the following ALOP services pursuant to Section 13B of the Illinois School Code (105 ILCS 5/13B-1 et seq.): High quality, comprehensive education program services for middle and high school aged youth who have been out-of-school, are significantly off-track for graduation, are chronically truant or are otherwise at-risk for academic failure. The providers will deliver a rigorous academic program that complies with CPS

and state graduation and promotion requirements and is fully aligned to IL standards but is also tailored to meet the needs of individual students. Personalized learning plans, comprehensive social-emotional supports, and intensive post-secondary planning will be provided to all ALOP students.

Providers will be approved to serve the following number of students for the term of each of their agreements: Banner Learning Corp. (up to 300 students), Pathways in Education – Illinois, Inc. (up to 4,200~~900~~ students), Edison Learning, Inc. (up to 1,000 students), Ombudsman Educational Services, Ltd (up to 1,600~~250~~ students), and Prologue Inc. (up to 240 students at the Winnie Mandela campus).

At a minimum, the agreements will address the requirements of the ALOP statute and regulations and student academic outcomes, and will also reflect resolution of any and all outstanding issues between the Board and the providers including, but not limited to, enrollment, funding, educational program, financial controls and practices, academic accountability and evaluations.

CONTINGENT APPROVAL: I&I will send a formal Letter of Conditions to Pathways in Education-Illinois, Inc. and Ombudsman Educational Services, Ltd stating that Pathways in Education-Illinois, Inc. and Ombudsman Educational Services, Ltd will need to submit information for their viable permanent facilities for their additional campuses by a date to be determined by the interim CEO or his designee in order to open those campuses for the 2016-2017 school year.

In January 2016, I&I received written notice from Pathways in Education-Illinois, Inc. that it no longer intended to open an additional campus for the 2016-2017 school year.

In January 2016, Ombudsman Educational Services, Ltd submitted an application to request a delay in opening its additional campus to the 2017-2018 school year.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements and amendments. Authorize the President and Secretary to execute the written agreements and amendments. Authorize the Chief Executive Director of Innovation and Incubation Officer to execute all ancillary documents required to administer or effectuate the written agreements. Authorize the Chief Executive Director of Innovation and Incubation Officer to execute any documents related to the disbursement of the one-time incubation and startup funds for the additional campuses opening in the 2014-2015, 2015-2016 and 2016-2017 school years.

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

AFFIRMATIVE ACTION: Not applicable.

INCUBATION: Upon the final approval of this amended Board Report and the submission of each of their respective Incubation Budget Plans by Edison Learning, Inc. and Pathways in Education – Illinois, Inc., the Board will disburse an amount not to exceed \$160,000 in incubation funding for each additional campus opening in the 2014 – 2015 school year, 2 campuses for Edison Learning, Inc., and 1 campus for Pathways in Education – Illinois, Inc.). The use of the funding will be outlined by the Office of Innovation and Incubation.

Upon the final approval of this amended Board Report and the submission of each of their respective Incubation Budget Plans by Edison Learning, Inc., Pathways in Education – Illinois, Inc. and Ombudsman Educational Services, Ltd, the Board will disburse an amount not to exceed \$152,000 in incubation funding for each of their additional campus openings in the 2015 – 2016 (Edison) and 2016-2017 (Ombudsman Educational & Pathways) school years. The use of the funding will be outlined by the Office of Innovation and Incubation. Incubation funds are no longer provided for Pathways in Education – Illinois, Inc. and Ombudsman Educational Services, Ltd, since authority has been rescinded for their respective campuses to open in the 2016-2017 school year.

STARTUP FUNDING: Upon the execution of each of the amendments to the respective agreements with Edison Learning, Inc. and Pathways in Education – Illinois, Inc., the Board will disburse a total amount not to exceed the following in startup funding for additional campuses opening in the 2014 – 2015 school year: (a) \$449,179 per campus, for a total of \$898,358 for 2 Edison campuses, and (b) \$555,979 per campus for 1 Pathways campus. The use of the funding will be outlined by the Office of Innovation and Incubation.

Upon the execution of each of the amendments to the respective agreements with Edison Learning, Inc., Pathways in Education – Illinois, Inc. and Ombudsman Educational Services, Ltd, the Board will disburse a total amount not to exceed the following in startup funding for these additional campuses: (a) \$525,500 for 1 Edison Learning campus for the 2015 – 2016 school year, (b) \$627,750 for 1 Pathways in Education campus for the 2016 – 2017 school year, and (c) \$577,000 for 1 Ombudsman campus for the 2016 – 2017 school year. The use of the funding will be outlined by the Office of Innovation and Incubation. Startup funds are no longer provided for Pathways in Education – Illinois, Inc. and Ombudsman Educational Services, Ltd, since authority has been rescinded for their respective campuses to open in the 2016-2017 school year.

FINANCIAL: Funding for the program services will be consistent with per pupil funding models used by the Board for charter and contract high schools. The details of the financial implications will be addressed during the development of the 2015-2016 and 2016-2017 fiscal year budgets. Since the School Code of Illinois prohibits the incurring of any liability unless appropriation has been previously made, expenditures beyond FY4516 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

~~This board report proposes to increase the current level of ALOP seats by 1,725 for a total of 4,340 seats. We estimate that roughly 50% of students in ALOP programs are recovered students who had previously dropped out, rather than transfers from other district schools, and therefore increase the overall enrollment of the district.~~

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-P03), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time shall be incorporated into and made a part of the agreement.

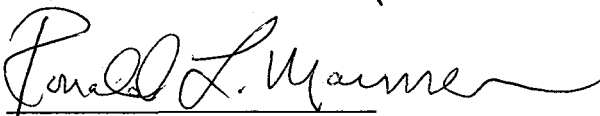
Approved for Consideration:


Elizabeth Kirby
Chief of School Strategy and Planning

Approved:


Forrest Claypool
Chief Executive Officer

Approved as to Legal Form: 


Ronald L. Marmer
General Counsel