

Board Report

25-0424-EX3 **DEFERRED**

Agenda Date: 4/24/2025

AUTHORIZE RENEWAL OF THE PASSAGES CHARTER SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Passages Charter School Agreement (the "Charter School Agreement") with conditions for an additional two-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. The Renewal and any related contracts must be executed by the current contract's expiration date in order for first-quarter funding to be released for the new contract term. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Asian Human Services Inc. DBA Trellus 2838 W. Peterson Avenue Chicago, IL 60659 Phone: 773-293-8430 Contact Person: Michelle Cronin, Board Chair

- CHARTER SCHOOL: Passages Charter School 1643 W. Bryn Mawr Avenue Chicago, IL 60660 Phone: 773-293-8433 Contact Person: Rebecca Creighton, Co-Chief Executive Officer
- OVERSIGHT: Office of Innovation and Incubation 42 W. Madison Street, 3rd Floor Chicago, IL 60602 Phone: 773-553-1530 Contact Person: Alfonso Carmona, Chief Portfolio Officer

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 03-0527- EX7) was for a term commencing July 1, 2003 and ending June 30, 2008 and authorized the operation of a charter school serving no more than 230 students in grades Pre-K through 5. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2008 and ending June 30, 2013 (authorized by Board Report 08-0602-EX6). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2013 and ending June 30, 2018, serving no more than 410 students in grades K through 8 (authorized by Board Report 13-0227-EX4). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2018 and ending June 30, 2023 (authorized by Board Report 17-1206-EX7). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2018 and ending June 30, 2023 (authorized by Board Report 17-1206-EX7). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2018 and ending June 30, 2023 (authorized by Board Report 17-1206-EX7). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2018 and ending June 30, 2023 (authorized by Board Report 17-1206-EX7).

CHARTER RENEWAL PROPOSAL: Asian Human Services Inc. submitted a renewal proposal on July 31, 2024, to continue the operation of Passages Charter School ("Passages"). The charter school shall continue to be located at 1643 W. Bryn Mawr Avenue and shall continue to serve grades K through 8 with a maximum enrollment of 460 students.

If Asian Human Services Inc. is authorized to operate a pre-kindergarten program in the same building as the charter school, the children enrolled in the pre-kindergarten will not be included in the enrollment of the charter school and the pre-kindergarten program will not be governed by the Charter School Agreement. The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Passages' academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on February 4, 2025, for all charter schools going through renewal to receive public comments, including Passages. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Passages be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Passages' charter and agreement is being extended for a two (2) year term commencing July 1, 2025 and ending June 30, 2027.

ADDITIONAL TERMS AND CONDITIONS: The following conditions shall be incorporated into the Charter Agreement between the Board of Education of the City of Chicago and Passages Charter School:

- Due to its Financial Performance outcomes, the school must participate in the Innovation & Incubation Financial Remediation process. This process requires schools to complete a Root Cause Analysis and submit monthly cash flow statements for additional oversight. If the school remains in Financial Remediation in the following year, it will also be required to submit a Financial Corrective Action Plan. Schools not meeting the annual exit criteria will remain in Financial Remediation until they meet them.
- The school must demonstrate progress toward implementing the Recommendations codified in the Special Education Renewal Site Visit Report by the Office for Students with Disabilities (OSD).
- On an annual basis throughout the term, the school must meet state and federal rules governing English Learners as demonstrated by a rating of Partial or higher on formal compliance reports from the Office of Multilingual-Multicultural Education (OMME). Chicago Public Schools has designated OMME to conduct school visits and determine school compliance with state and federal rules regarding English Learner programs.
- On an annual basis throughout the term, the school must receive a rating of "Meets Standards" or higher on the Legal Compliance indicator on the Financial and Compliance Scorecard generated by CPS.
- By July 1st, 2025, and annually throughout the term, no one person shall hold a directorship and an executive position or other position with substantial financial decision-making authority.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

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

FINANCIAL: The financial implications will be addressed during the development of the 2025-2026 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY25 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS: The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended, and a Contingent Liability provision.

Approved for Consideration:

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2863AB884664C6 Alfonso Carmona

Chief Portfolio Officer

Approved:

Signed by:

Pedro Martiney

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General Counsel