

2022-23 Charter School Renewal Recommendations

Urban Prep Academy for Young Men Charter HS - Bronzeville & Englewood Campus

Alfonso Carmona

*Chief Portfolio Officer
Office of Portfolio Management*



Renewal Overview | Urban Prep Academies

- CPS authorizes two campuses of Urban Prep Academies (UPA), the Urban Prep Charter Academy for Young Men High School - Englewood Campus (“UP Englewood”) and the Urban Prep Charter Academy for Young Men High School - Bronzeville Campus (“UP Bronzeville”). Both schools have charter terms that expire in June 2023.
- Through years of dismal financial performance, academic struggle, and operational non-compliance, the Board had granted many short renewal terms with conditions to push the school further into minimum operational compliance.
 - 2017-18 | 3-Year Renewal
 - 2020-21 | 1-Year Renewal w/ Performance Benchmarks (not met)
 - 2021-22 | 1-Year Renewal w/ Contractual Conditions re: Fiscal Controls and Board Restructuring (not met)
 - 2022-23 | Renewal Contingent on Specific Pre-Conditions by October 2022 (not met)

Renewal Overview | Urban Prep Academies

- ***Recommendation: Non-Renewal***
 - ***An Urban Prep executive according to the IG report, violated the law including:***
 - ***Title IX of the Elementary and Secondary Education Act Amendments of 1972 by sexually touching and grooming a student***
 - ***Title VII of the Civil Rights Act of 1964 by conditioning his employment on a sexual relationship, as well as***
 - ***Other laws with respect to use of public funds that put student and staff safety, and well-being at risk.***
 - ***Urban Prep has failed to meet generally accepted standards of fiscal management***
 - ***Urban Prep violated its charter with CBOE by: ignoring express pre-conditions for the renewal of its Englewood campus charter designed to ensure that these irresponsible fiscal practices do not recur and that its fiscal practices are ethical and overseen by an independent and unbiased governance structure.***

Renewal Overview | Urban Prep Academies

For several years, CPS representatives have worked very hard to help Urban Prep to cure deficiencies in its operations. Urban Prep had numerous opportunities to correct them, even when the CPS Board put explicit conditions on its renewal. So this recommendation is the conclusion to a pattern of irresponsible behavior by the Urban Prep Academies Board of Directors that put adult interests ahead of student well-being, ahead of legal compliance, ahead of prudent and legal use of public resources, and ahead of its obligations to public. Its behavior was irresponsible with student safety, student and staff well-being, compliance with laws, and the use and management of public resources.

- **Title IX Violations**
 - On June 30, 2022, the OIG substantiated allegations that an Urban Prep executive sexually touched a 16-year old student and that the executive groomed and engaged in other misconduct involving the victim. The CBOE Title IX Coordinator concluded that this conduct violated Title IX of the Elementary and Secondary Education Act Amendments of 1972.
 - Urban Prep refused to take appropriate action to ensure student safety while the allegations were investigated.
 - It minimized the allegations in community communications, against the direction of the Title IX Coordinator.
 - Despite a directive requiring the executive have no contact with students, Urban Prep allowed the executive to attend events and engage with students.
 - Even after the charges were substantiated, it continued to have a relationship with the executive and elevated the executive to a position of honor.

Renewal Overview | Urban Prep Academies

- **Title VII Violations**
 - The OIG found that the executive employed the victim at Urban Prep Academies and used the employment relationship to compel the victim to maintain a sexual relationship. When CPS demanded that Urban Prep investigate these Title VII violation, the Urban Prep board refused on grounds that its money would be better spent elsewhere because the allegations were “too old.”
- **Ghost Payrolling Scheme**
 - The OIG found that Urban Prep Academies permitted the victim to receive wages and employment benefits from the organization for three years without providing any services.
- **Failure to Meet Express Conditions Imposed by the CBOE**
 - As part of its duty to oversee and regulate its charter schools and to address Urban Prep’s operational and legal issues:
 - In February, 2022, the Board renewed the UP Englewood Charter with preconditions that required the school to implement fiscal controls and to restructure its governance by June 30, 2022. Urban Prep did not comply by June 30 and will not prove compliance now.
 - On September 26, 2022, CPS advised Urban Prep that it would not renew UPA’s Charters unless it met additional conditions by October 21, 2022, which were intended to address the concerns raised in the IG’s June 30, 2022 report and its ongoing non-compliance.. The Urban Prep board declined to meet the conditions.

Renewal Overview | Urban Prep Academies

- **Failure to Meet Generally Accepted Standards of Fiscal Management**
 - UPA asked for advance payments from CPS on a number of occasions beginning in school year 2017-2018. From fall 2017 through fall 2021, a period spanning 13 quarterly payments, UPA sought 9 cash advances, and the CPS granted 8.
 - Beginning in 2019, UPA began making a series of transactions in which it “sold” its anticipated revenue from the Board of Education to various companies in exchange for cash which charged fees or premiums that equated to finance charges of \$582,650, in public funds equalling ~47% of the amount received.
 - UPA defaulted on many other debts and obligations, including staff salaries, contributions to the Chicago Teachers Pension Fund, and special education vendor payments which caused vendors to suspend required services to diverse learners.
 - The Inspector General concluded that Urban Prep’s participation in the Payroll Protection Program included submission of false payroll information to the lender. Urban Prep attributed the false information to its payroll company, the proof of which Urban Prep has never supplied to the Inspector General despite the IG’s request.
 - The Inspector General continues to investigate the root causes of Urban Prep’s financial difficulties.

Next Steps | Urban Prep Academies

- Urban Prep schools will not close if the Board of Education approves this recommendation.
 - The schools will become part of CPS.
 - CPS will make offers of employment to all UPA teachers and school-based staff who qualify for employment.
 - CPS intends to operate the campuses from their current locations.
 - CPS will maintain the continuity of Urban Prep's operations and their performance.
- In determining the appropriate school model for the schools within CPS, we will work with Urban Prep students, families, and other stakeholders to select the best option for governance and management of the schools to ensure continuity of operations and performance.