

May 27, 2003

**APPROVE ENTERING INTO AN AGREEMENT WITH THE BIG PICTURE COMPANY
FOR MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with the Big Picture Company ("BPC") to provide management services to the Chief Education Office for the creation and operation of two small high schools using BPC's educational model. All services of BPC will be provided at no cost to the Board. BPC was selected through an extensive review of its educational program, site visits to existing schools using the BPC model, interviews with the BPC founders, staff, and principals, and review of student achievement and academic outcomes of existing BPC schools. BPC has had no past business with the Board. A written agreement for BPC's services is currently being negotiated. No services shall be provided by BPC prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

MANAGER: Big Picture Company
275 Westminister Street, Suite 500, Providence, RI 02903
Shayla Barnes
415-399-1556

USER: Chief Education Office
125 South Clark, 5th Floor
Greg Richmond
773-553-1535

TERM: The term of this agreement shall commence on the date the agreement is signed and shall end June 30, 2008.

DESCRIPTION OF PROGRAM: BPC was established in 1995 to design and implement a new model of a small high school with reduced student-teacher ratios, workplace internships, high standards and strong family engagement. BPC opened its first school in Providence, Rhode Island in 1996 and has opened four more schools in Detroit, Oakland, Sacramento, and Federal Way, Washington. BPC schools create personalized education plans that are unique for each student and blend academic coursework with real world learning and adult mentors.

SCHOOL FACILITIES: Two BPC schools will open in the fall of 2003, each with approximately 30 freshmen, adding a grade level and approximately 30 additional students each year until each school serves approximately 120 students in grades 9 through 12. One BPC school will be located in a portion of the former Williams School building at 2710 South Dearborn, which is owned by the Board. The second BPC School will be located at a site to be determined. The BPC schools will follow all Board policies and procedures, with some modifications and exceptions noted below.

RESPONSIBILITIES OF BPC:

- New teachers will participate in preparation and induction activities provided by BPC.
- Participation in CPS professional development activities will be optional and at the discretion of the BPC principals.
- The BPC principals will use both Board and BPC teacher evaluation methods.
- The BPC schools will implement the BPC curriculum and courses, which will meet district and state academic standards, credit and graduation requirements.
- The BPC schools will follow the CPS school calendar with some modification allowed for professional development activities; professional development activities will affect no more than five school days during the school year.
- The total number of days of instruction will be no less than the number of days provided in the Board calendar.
- The BPC schools will administer all required standardized assessments, including the PSAE and PLAN and EXPLORE assessments.
- The BPC schools may adopt its own format for student records, transcripts and report cards, subject to approval of the Board.

- The BPC schools will comply with all Board minimum promotion and graduation requirements and may implement additional requirements.
- The BPC schools will complete the SIPAA and BPC improvement plans.
- The BPC schools will be included in the Board Designation system but will not be subject to Board interventions.
- The Board will include the BPC schools' information in its regular school information and application materials, however the BPC schools' students will not be selected through the Board's Office of Academic Enhancement process.
- The BPC schools will select students through a public lottery if there are more applications than available seats.
- There shall be no academic admission requirements at the BPC schools.
- Principals, teachers and staff at the BPC schools will be employees of the Board of Education.
- The schools shall have a Local School Council in accordance with Section 34-2.4b of the School Code.

RESPONSIBILITIES OF THE BOARD:

- The Board will provide a suitable facilities, and improvements to both facilities.
- The Board will provide staff and operating funds for each school and include the BPC schools in all Board activities and programs except as indicated above.
- BPC shall receive no fees from the Board for the management of the schools, although the schools may contract with the BPC organization for professional development and other services provided to the schools.

FUNDING AND STAFFING:

- Each BPC school will be allocated staffing as follows:
 - Year 1: 1 Principal, 1 Clerk, 3 teachers
 - Year 2: 1 Principal, 1 Clerk, 6 teachers
 - Year 3: 1 Principal, 1 Clerk, 8 teachers
 - Year 4 (and beyond): 1 Principal, 1 Clerk, 10 teachers
- The BPC principals will be able to change types of positions within these allocations
- The CEO shall annually determine the schools' funding and resources for non-personnel items.
- The Board will provide resources for BPC summer school and after school programs
- The estimated funding for each BPC school in Year 1 is \$360,000. In Year 4, when each school will be operating at full capacity, the estimated funding for each school is \$810,000.

OUTCOMES: BPC's services shall result in two high-performing, small high schools with high graduation rates, high college attendance rates, high PSAT scores, high PSAT growth, high student attendance, low dropout rates, and low mobility rates as defined in the agreement.

COMPENSATION: BPC is donating its services to the Board.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Education Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Not Applicable

LSC REVIEW: Local School Council approval is not applicable to this report

FINANCIAL: The financial implications will be addressed during the development of the 2003-2004 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY03 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

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 Chicago 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.

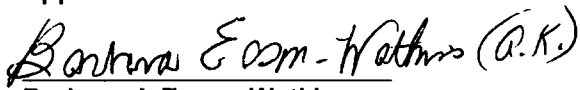
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

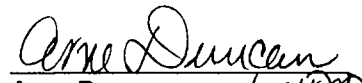
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved:



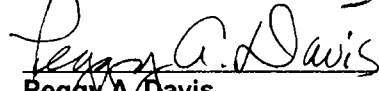
**Barbara J. Eason-Watkins
Chief Education Officer**

Respectfully submitted:



**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**Peggy A. Davis
Chief of Staff**

Approved as to legal form:



**Robert R. Hall, Jr.
Acting General Counsel**