

**ADOPT A NEW POLICY ON COMMERCIAL ACTIVITY****THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:**

That the Board of Education of the City of Chicago (the "Board") adopt a new Policy on Commercial Activity.

**PURPOSE:**

The Board has a need to identify and develop alternative revenue sources and has determined that the Chicago Public Schools ("CPS") and its students would greatly benefit from the additional resources that can be generated by allowing certain commercial activity and advertisements to occur on or about the system's schools.

Therefore, the Board seeks to establish and maintain commercial relationships with corporations, businesses, associations and other private entities that support the creation, development or enhancement of educational, extracurricular and operational programs of the CPS. This policy sets out a framework for the establishment of those relationships and provides for the promulgation of guidelines that will govern the implementation of this policy.

**POLICY TEXT:****I. DEFINITIONS**

"Advertising" is the electronic or non-electronic display of names, acronyms, monikers, insignias, logos, illustrations, holographs, designs and/or images of corporate, partnership, individual or other lawful sponsors, as well as electronic or non-electronic displays of product and/or service-oriented promotional messages, mottoes, slogans, illustrations, photographs, holographs, designs and/or images that are principally designed to induce the purchase of a particular product and/or service by viewers/readers, and/or to extol the benefits of any such product and/or service to viewers/readers, for the purpose of making its purchase, lease or other acquisition more attractive or are principally designed to induce, argue, contend, cajole, infer, inform, articulate to, persuade, convince or otherwise influence the viewer/reader to contribute to, not to contribute to, subscribe to, refrain from subscription, participate in, refrain from participation, participate against, believe in, disbelieve, join, refrain from joining, join against, and/or otherwise support or oppose any particular issue, campaign, entity, organization, belief, philosophy and/or cause, and/or to expound upon the benefits or harms of any such issue, campaign, entity, organization, belief, non-belief, disbelief, philosophy and/or cause for the purpose of making the same more or less attractive and that otherwise comports with the requirements of this policy.

"Commercial Materials" are commercial messages, materials, logo placement, product placement and all other commercially related items or materials.

"Qualifying Sponsor" is a potential sponsor that is a verifiable, reputable, natural person, corporation, partnership, sole proprietorship, joint venture, government agency or other entity lawfully organized and conducting an enterprise, doing business and/or performing another type(s) of commercial or non-commercial activity lawfully within the U.S.

"Recognition" includes logo or product placement, brand recognition or signage that a donor may receive as a consequence of an individual or entity's decision to contribute money, equipment, supplies, services or items of value, to or for the benefit of the Chicago Public Schools, the Chicago Board of Education, the Children First Fund or individual schools and students.

"Sponsorship Programs" may include naming rights, title sponsorship, logo placement and/or product placement.

“Suitable commercial activity” is one that is consistent with the Board’s fundamental mission and values as an educational institution.

## **II. SCOPE OF THE POLICY**

This policy applies to commercial activity such as advertising through various media, including but not limited to broadcast, Internet, print, and billboard, naming rights, sponsorship of sports programs and other major CPS campaigns, programs and activities, marketing activities (including marketing through electronic media and the CPS Network), rights to use the CPS, Chicago Board of Education or individual school name and logo and exclusive rights agreements between CPS and private entities. This policy applies to all schools and Board programs and provides a framework for the time, place, manner, content and appropriateness of a commercial presence on Board-owned or leased property.

This policy does not apply to commercial activity that may result from programs and initiatives supported through government or foundation grants, individual or corporate financial contributions, and specific fundraising activities, donations of equipment or service to benefit the Chicago Public Schools, Chicago Board of Education or the Children First Fund where the donor receives a recognition in the form of logo or product placement, brand recognition or signage. Furthermore, this policy does not apply to procedures related to the sponsorship of events for staff whether for professional development or other similar purposes.

## **III. ENGAGING IN COMMERCIAL ACTIVITY**

Commercial activity on Board-owned or leased property that involves students, their families, or CPS staff shall be permitted only if the proposed activity can clearly promote CPS’ interests without compromising its educational mission. To ensure that students are not subject to coercive influences by commercial presence on Board-owned or leased property, CPS officials shall evaluate all commercial activity proposed under this policy using the criteria specified below.

### **A. Criteria for Qualifying as Commercial Activity: Benefit and Control**

Commercial activity between CPS and private entities must satisfy two fundamental requirements:

1. Benefit to CPS is the primary purpose of the commercial activity.
  - a. Commercial activity satisfies this benefit requirement by promoting in a measurable way CPS programs or activities such as:
    - (1) Existing or new educational or extracurricular programs;
    - (2) Recruiting and/or retaining staff;
    - (3) Capital improvement;
    - (4) Operations that provide essential services; or
    - (5) Other appropriate programs, activities or campaigns.
  - b. CPS shall not engage in commercial activity if the benefit to the private entity resulting from the activity substantially outweighs the benefit to CPS.
2. CPS controls the time, place, manner and content of any commercial material to be used or placed on Board-owned or leased property.
  - a. Pursuant to Commercial Activity Guidelines, the Chief Executive Officer or his designee shall review and approve the content and means of presentation of all Commercial Materials *before* they are placed on

Board-owned or leased property and/or distributed to CPS students, their families or staff.

- b. Commercial Materials distributed, placed on or affixed to Board-owned or leased property, or distributed to CPS students, their families or staff must not:
  - (1) promote or encourage in any way smoking, alcohol consumption, drug use, sexual activity, illegal actions or other behaviors that violate Board policies or rules;
  - (2) promote or encourage in any way discrimination and/or harassment on the basis of race, color, national origin, sex, gender, sexual orientation, age, religion, socioeconomic status or disability;
  - (3) include disruptive, profane, libelous, obscene or inflammatory content and/or manner of presentation;
  - (4) violate the privacy rights of students and their families or CPS staff members and their families;
  - (5) include content that is religious in nature or promotes a particular religion;
  - (6) include content that promotes any particular political person, candidate or party.
  - (7) intrude on or in any way disrupt the educational environment in classrooms, schools or campuses or disrupt existing programs and services; or
  - (8) contain any language or identification that constitutes or alludes to an endorsement by the Board of a private entity or its products.

**B. Suitable Commercial Activity**

No commercial activity shall be permitted unless the Chief Executive Officer or his designee has determined that the proposed commercial activity is suitable. For any proposed activity, CPS officials making a suitability determination shall weigh the educational, social and community factors involved and shall, at a minimum, consider the following:

- 1. The willingness of a private entity to follow the Board’s affirmative action, non-discrimination and equal employment opportunity policies and practices to the extent such policies and practices are applicable.
- 2. The tastefulness and appropriateness of Commercial Messages that will appear on CPS owned or leased property.
- 3. Real or perceived conflicts of interest that might arise for CPS as a result of a commercial activity with a particular private entity.

**IV. PROCESS FOR APPROVAL OF COMMERCIAL ACTIVITY**

- A. The Chief Executive Officer (CEO) retains the discretion to deny or approve any proposal for commercial activity based upon this policy.
- B. The CEO shall promulgate guidelines establishing specific procedures for the review, consideration and approval of proposals for commercial activity.
- C. The process for the review, consideration and approval of commercial activity may differ depending upon the nature and scope of the commercial activity. All proposed commercial activity shall be classified as either:
  - 1. district level commercial activity;
  - 2. school based commercial activity; or
  - 3. combination district level and school based commercial activity.

At a minimum, the process shall include the submission of a letter of interest and/or proposal, review of the proposal by CPS officials, development of a written agreement setting forth the parameters for the commercial activity and where reasonable to do so, communication to any interested parents, community members and other interested parties.

**V. EXCLUSIVITY**

The Board may decide to give a corporation, business or private entity category exclusivity for a particular Board property, program, service or activity.

**VI. THIRD-PARTY COMMERCIAL ACTIVITY SOLICITATION**

All third-party entities including but not limited to consultants, fundraising organizations, other corporate or business partners, agencies or firms that have been engaged by the Board to solicit commercial relationships must adhere to this policy.

**VII. MULTIPLE COMMERCIAL RELATIONSHIPS**

In the case where there are multiple sponsors for a CPS program, service, activity, campaign, or other event on Board-owned or leased property, all interested parties must meet the criteria as outlined in this policy.

**VIII. ANNUAL REVIEW OF COMMERCIAL ACTIVITY**

All commercial activity covered by this policy shall be subject to an annual review to ensure that such commercial activity continues to comply with the benefit and control requirements set forth herein, and that the Board's relationship with the corporation, business, association or private entity is consistent with the Board's mission, policies, rules and practices.

If CPS, in its sole discretion, determines, at any time during the term of any commercial activity agreement, that its involvement in a commercial activity is detrimental to the Board's mission and/or interests, then it reserves the right to terminate the agreement so long as prior notice is provided to the sponsor.

**IX. OVERSIGHT AND MANAGEMENT OF COMMERCIAL ACTIVITY**

The CEO or designee shall have the responsibility to oversee the Board's commercial activity, with duties including:

- A. Development of effective commercial relationships with corporations, businesses, associations and other private entities and completion of agreements with those entities that engage in commercial activity.
- B. Promotion of public awareness of the benefits commercial activity brings to CPS.
- C. Provision of assistance as needed to individual schools and departments in finding, initiating and engaging in appropriate commercial activity with private entities.
- D. Annual review of all CPS commercial activity and evaluation of the benefit provided to CPS as a result of the commercial activity.
- E. Establishment of guidelines for reviewing and evaluating proposals for commercial activity.
- F. Distribution of commercial activity revenue generated under this policy that provides schools with proceeds from school-based activity and ensures that schools are the primary beneficiary of proceeds from district level or combination commercial activity.

**Approved for Consideration:**



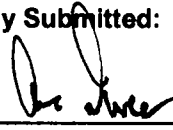
**Barbara J. Eason-Watkins**  
**Chief Education Officer**

**Noted:**



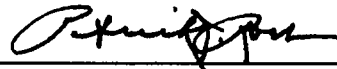
**John Maiorca**  
**Chief Financial Officer**

**Respectfully Submitted:**



**Arne Duncan**  
**Chief Executive Officer**

**Approved as to legal form** 



**Patrick J. Rocks**  
**General Counsel**