

**APPROVE THE ESTABLISHMENT OF PLATO LEARNING ACADEMY AND ENTERING INTO A
SCHOOL MANAGEMENT AND PERFORMANCE AGREEMENT WITH AMERICAN QUALITY
SCHOOLS, AN ILLINOIS NOT-FOR-PROFIT CORPORATION**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING DECISION:

Approve the establishment of the Plato Learning Academy, at a location to be determined, and approve entering into a School Management and Performance Agreement with American Quality Schools, an Illinois not-for-profit corporation, for the operation of the Plato Learning Academy. This approval is contingent upon the school operator meeting certain benchmarks established by the Office of New Schools as detailed below, any required public hearings and Board approval of the location of the school. A written School Management and Performance Agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written School Management and Performance Agreement is not executed by the Board and school operator within the time specified in an amended Board Report approving the site of the proposed school.. Information pertinent to this matter is stated below.

SCHOOL OPERATOR: American Quality Schools, a Illinois not-for-profit corporation
850 West Jackson Blvd., Suite 275
Chicago, Illinois 60607
Phone: (847) 467-2876
Contact Person: Michael Bakalis

OVERSIGHT: Office of New Schools
125 S. Clark, 5th Floor
Chicago, IL 60603
773-553-1530
Contact Person: Josh Edelman, Executive Officer

DESCRIPTION:

School Designation: Pursuant to the Board's Renaissance Schools Policy, 07-0627-PO4, as amended ("Renaissance Policy"), Plato Learning Academy will open in the fall of 2008 as a Contract School as described in the Renaissance Policy. The Board hereby designates the Plato Learning Academy as a Small School pursuant to 105 ILCS 5/34-2.4b.

Public Hearing: A public hearing on the opening of the Plato Learning Academy as a Renaissance Contract School was held on October 11, 2007 at Austin High School, 231 N Pine, Chicago, IL 60623 in accordance with the Renaissance Policy. The hearing was recorded. A summary report of the hearing is available for review.

Request for Proposals: In April 2007, the Office of New Schools issued a Request for Proposals to solicit responses from invited parties who currently operate new schools under the Renaissance 2010 Initiative. On August 6, 2007, American Quality Schools submitted a Renaissance proposal as a response to the Invited Request for Proposals. Proposals were evaluated pursuant to the standards set forth in the Renaissance Policy. Proposals were reviewed by the Office of New Schools and a Comprehensive Evaluation Team and recommendations were submitted to the Chief Executive Officer based upon those reviews and evaluations.

Enrollment: Plato Learning Academy will enroll students through a lottery with preference given to Austin community residents. Plato Learning Academy will open at capacity, serving 350 students in grades K through 6.

Attendance Boundaries: The Department of School Planning is directed to work with the Office of New Schools, Plato Learning Academy and the Austin community to develop an attendance plan for submission to the Board for approval.

Curriculum: The American Quality Schools Plato Learning Academy aims to provide an elementary school that gives every child the capacity to succeed, “fostered through high academic and personal standards, respectful and orderly schools, competent and caring faculty and staff, involved and caring parents, and administration and management leadership which fosters a climate and culture of continuous improvement and a commitment to high and measurable standards of excellence.” American Quality Schools will provide a curriculum consisting of The Core Knowledge Curriculum, Open Court Reading, Saxon Math, and the Junior Great Books and History Alive Materials. The teaching strategy of American Quality Schools is the Paideia method which utilizes a combination of Socratic discussion, teacher coaching and didactic instruction.

Advisory Body: A school advisory body will be established in a timely manner pursuant to 105 ILCS 5/34-2.4b and the Board’s Renaissance School Policy in the following manner: the CEO or his designee, in consultation with the Plato Learning Academy shall develop the composition and duties of the advisory body for approval by the Board. Such requirements shall be included in the agreement with the Plato Learning Academy. The members of the advisory body will be appointed by the Board upon the recommendation of the CEO or his designee.

School Management Description: At a minimum, the School Management and Performance Agreement will address student academic outcomes and financial and management practices of the school and shall reflect resolution of any and all outstanding issues between the Board and the school operator including, but not limited to, enrollment, funding, educational program, financial controls and practices, academic accountability and evaluations. In accordance with the Board’s Renaissance Policy, contract schools may request exemptions from Board Rules and Policies or alternative policies subject to and upon Board approval.

CONTINGENT APPROVAL: The granting of a contract by the Board and the entering into a School Management and Performance agreement is contingent upon any required subsequent public hearings and Board approval of a site for the school. Approval of the contract school application is also contingent upon the school operator meeting benchmarks established by the Office of New Schools, including, but not limited to, those related to the acquisition of a facility. These benchmarks will be communicated to the school operator with all deadlines to be met by April 15, 2008. The Office of New Schools will oversee the enforcement of these deadlines; failure to meet these deadlines, at the option of the Board, may result in the rescission of the authority granted herein and the denial of the contract school application. A final review of the contract school application will be conducted by the Chief Executive Officer on or before May 15, 2008. This final review will be conducted to determine compliance with the terms indicated above. The CEO’s recommendation to approve the contract school application will be subject to Board approval as indicated by a subsequent amendment to this Board Report.

TERM: Upon final review of this contract school application and approval of the proposed site for the school, the term of the School Management and Performance Agreement shall commence July 1, 2008 and end June 30, 2013. American Quality Schools and Plato Learning Academy’s designation as a Renaissance Contract School will expire on June 30, 2013 unless renewed or terminated earlier by the Board.

COMPENSATION: American Quality Schools will be paid on a per-pupil basis for the operation of the Plato Learning Academy.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the school operator, in the written School Management and Performance Agreement. Authorize the President and Secretary to execute the School Management and Performance Agreement.

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

AFFIRMATIVE ACTION: Not applicable.

FINANCIAL: Using current year financial data, the general fund cost of 350 students in 2008-09 (FY09) will be approximately \$2,251,900.00. The financial implications will be addressed during the development of the FY09 budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond the current FY08 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

PERSONNEL IMPLICATIONS: As a contract school, American Quality Schools will employ its own principal, teachers and staff.

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-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

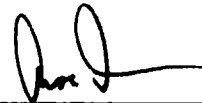
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time shall be incorporated into and made a part of the agreement.

Approved:



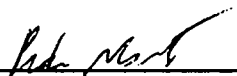
Barbara J. Eason-Watkins
Chief Education Officer

Respectfully submitted:



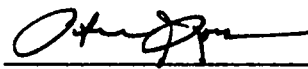
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 



Patrick J. Rocks
General Counsel