

AMEND BOARD REPORT 13-0724-EX3
AMEND BOARD REPORT 13-0522-EX3
**APPROVE ENTERING INTO AGREEMENTS WITH VARIOUS PROVIDERS FOR
 ALTERNATIVE LEARNING OPPORTUNITIES PROGRAM SERVICES**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING DECISION:

Approve entering into agreements with the providers listed below for Alternative Learning Opportunities Program (ALOP) Services. Written agreements for services are being negotiated. No services shall be provided by any provider and no payment shall be made to any provider prior to the execution of such provider's written agreement. The authority granted herein shall automatically rescind as to each provider in the event a written agreement for such provider is not executed within 120 days of the date of this amended Board Report. Information pertinent to these agreements is stated below.

This July 2013 amendment is necessary to add an additional ALOP provider, Prologue Inc., and increase the number of ALOP seats.

This May 2014 amendment is necessary to (a) increase the student enrollment at the existing campuses for Banner Learning Corp., Ombudsman Educational Services, Ltd and Edison Learning, Inc., (b) include additional campuses for Ombudsman Educational Services, Ltd, Edison Learning, Inc. and Pathways in Education - Illinois, Inc. opening in the fall of 2014 with the corresponding increases in student enrollment for those providers, and (c) authorize the disbursement of one-time incubation and startup funds to Ombudsman Education Services, Ltd, Edison Learning, Inc. and Pathways in Education – Illinois, Inc. for their additional campuses opening in the fall of 2014. The authority granted herein shall automatically rescind as to each provider in the event a written amendment to the agreement for such provider is not executed within 120 days of the date of this amended Board Report.

PROVIDERS:

Banner Learning Corp.
 1243 S. Wabash Avenue, Suite 503
 Chicago, Illinois 60605
 Contact Name: Eric Carlton, President
 Contact Phone: 773-934-2328

Pathways in Education - Illinois, Inc.
 320 N. Halstead Street, Ste. 210
 Pasadena, California 91107
 Contact Name: Jamie Hall, President
 Contact Phone: 626-204-2550

Edison Learning, Inc.
 900 S. Gay, Suite 1000
 Knoxville, Tennessee 37902
 Contact Name: Chris Wilberding, Vice President Operations -
 Alternative Education Solutions
 Contact Phone: 201-630-2861

Ombudsman Educational Services, LLGLtd
 1585 N. Milwaukee Ave., Suite 2
 Libertyville, Illinois 60048
 Contact Name: Mark Claypool, President & CEO
 Contact Phone: 615-361-4000

Prologue Inc.
1135 N. Cleaver
Chicago, IL 60642
Contract Name: Dr. Nancy Jackson, Executive Director
Contact Phone: 773-935-9925

OVERSIGHT: ~~Alternative Network~~ Office of Innovation and Incubation
~~4655 S. Dearborn Street, Room 309A~~ 125 S. Clark St., 10th Floor
Chicago, IL 606093
Contact Name: ~~Jennifer Vidis, Chief of Schools~~ Jack Elsey, Chief Officer
Contact Phone: ~~773-535-8500~~ 553-1530

ALOP PROPOSALS: In June 2012, the CEO made available the Call for Quality Schools to solicit responses from parties interested in providing a range of new alternative option school and program proposals, including proposals for ALOP services. ALOP proposals were submitted by Banner Learning Corp., Pathways in Education - Illinois, Inc. and Edison Learning, Inc. in response to the Call for Quality Schools. The proposals were evaluated using the criteria and standards set forth in the Call for Quality Schools and on January 23, 2013, the Board provided contingent approval of these proposals (Board Report 13-0123-EX2). In addition, to create additional capacity to serve out-of-school and at-risk students, the CEO made available a Request for Proposals for New Options in January 2013 to solicit additional proposals for alternative options schools and programs. As a result, ALOP proposals were submitted by Ombudsman Educational Services, LLC Ltd and Prologue Inc. and evaluated using the criteria and standards set forth in the RFP.

In January and February 2014, four of the five providers submitted material modifications to (a) increase the student enrollment at the existing campuses for Banner Learning Corp., Ombudsman Educational Services, Ltd and Edison Learning, Inc. and (b) include additional campuses for Ombudsman Educational Services, Ltd, Edison Learning, Inc. and Pathways in Education - Illinois, Inc. opening in the fall of 2014 with corresponding increases in student enrollment for those three providers.

TERM: The term of the agreement with Banner Learning Corp. shall commence July 1, 2013 and end June 30, 2016, unless terminated earlier by the Board. The terms of the agreements with Pathways in Education - Illinois, Inc., Edison Learning, Inc., and Ombudsman Educational Services, LLC Ltd shall commence July 1, 2013 and end June 30, 2018, unless terminated earlier by the Board. The term of the agreement with Prologue Inc. shall commence August 1, 2013 and end June 30, 2016, unless terminated earlier by the Board.

SERVICES: Providers shall provide the following ALOP services pursuant to Section 13B of the Illinois School Code (105 ILCS 5/13B-1 et seq.): High quality, comprehensive education program services for middle and high school aged youth who have been out-of-school, are significantly off-track for graduation, are chronically truant or are otherwise at-risk for academic failure. The providers will deliver a rigorous academic program that complies with CPS and state graduation and promotion requirements and is fully aligned to IL standards but is also tailored to meet the needs of individual students. Personalized learning plans, comprehensive social-emotional supports, and intensive post-secondary planning will be provided to all ALOP students.

Providers will be approved to serve the following number of students in SY13-14 for the term of each of their agreements: Banner Learning Corp. (up to ~~275~~ 300 students), Pathways in Education - Illinois, Inc. (up to ~~600~~ 1,200 students), Edison Learning, Inc. (up to ~~300~~ 1,000 students), Ombudsman Educational Services, LLC Ltd (up to ~~4,200~~ 1,600 students), and Prologue Inc. (up to 240 students at the Winnie Mandela campus).

At a minimum, the agreements will address the requirements of the ALOP statute and regulations and student academic outcomes, and will also reflect resolution of any and all outstanding issues between the Board and the providers including, but not limited to, enrollment, funding, educational program, financial controls and practices, academic accountability and evaluations.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements and amendments. Authorize the President and Secretary to execute the written agreements and amendments. Authorize the Chief of ~~Alternative Network~~ Innovation and Incubation Officer to execute all ancillary documents required to administer or effectuate the written agreements. Authorize the Chief Innovation and Incubation Officer to execute any documents related to the disbursement of the one-time incubation and startup funds for the additional campuses opening in the fall of 2014.

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

AFFIRMATIVE ACTION: Not applicable.

INCUBATION: Upon the final approval of this amended Board Report and the submission of each of their respective Incubation Budget Plans by Ombudsman Educational Services, Ltd., Edison Learning, Inc. Pathways in Education – Illinois, Inc., the Board will disburse an amount not to exceed \$160,000 in incubation funding for each additional campus opening in the fall of 2014 (1 campus for Ombudsman Educational Services, Ltd, 3 campuses for Edison Learning, Inc., and 2 campuses for Pathways in Education – Illinois, Inc.) The use of the funding will be outlined by the Office of Innovation and Incubation.

STARTUP FUNDING: Upon the execution of each of the amendments to the respective agreements with Ombudsman Educational Services, Ltd, Edison Learning, Inc. and Pathways in Education – Illinois, Inc., the Board will disburse a total amount not to exceed the following in startup funding for additional campuses opening in the fall of 2014: (a) \$609,379 for 1 Ombudsman campus, (b) \$449,179 per campus, for a total of \$1,347,537 for 3 Edison campuses, and (c) \$555,979 per campus for a total of \$1,111,958 for 2 Pathways campuses. The use of the funding will be outlined by the Office of Innovation and Incubation.

FINANCIAL: Funding for the program services will be consistent with per pupil funding models used by the Board for charter and contract high schools. The details of the financial implications will be addressed during the development of the 2013-2014 ~~2014-2015~~ fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless appropriation has been previously made, expenditures beyond FY134 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

This board report proposes to increase the current level of ALOP seats by ~~4,953~~ 1,725 for a total of ~~2,615~~ 4,340 seats. We estimate that roughly 50% of students in ALOP programs are recovered students who had previously dropped out, rather than transfers from other district schools, and therefore increase the overall enrollment of the district.

GENERAL CONDITIONS:

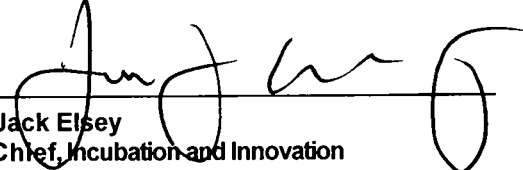
Inspector General - Each Party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary 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-P03), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time shall be incorporated into and made a part of the agreement.

Approved for Consideration:



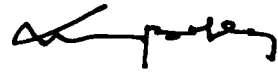
Jack Elsey
Chief, Incubation and Innovation

Approved:



Barbara Byrd-Bennett
Chief Executive Officer *RAB*

Approved as to Legal Form: 



James L. Bebley
General Counsel