

October 26, 2022

AMEND BOARD REPORT 22-0223-EX3
**AUTHORIZE THE RENEWAL OF THE URBAN PREP CHARTER ACADEMY FOR
 YOUNG MEN HIGH SCHOOL - ENGLEWOOD CAMPUS AGREEMENT
 WITH PERFORMANCE BENCHMARKS AND CONDITIONS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

On February 23, 2022, the Board of Education authorized the renewal of Urban Prep Academies for Young Men – Englewood Campus (“UPA”) with conditions which required that UPA meet those conditions by June 30, 2022 and that an agreement be executed within 120 days. The Board of Education submitted an agreement to UPA for execution but UPA failed to execute the agreement. After June 30, 2022, the CEO notified UPA that it was in material breach of its Charter as set forth in the Board Report 22-0223-EX3 and after UPA advised Board representatives that an administrator found to have violated Title IX had resigned from the organization and would not be rehired, UPA asked for an extension of time to September 15, 2022 to meet the conditions. Though UPA had materially violated the renewal terms, in an effort to move forward, Board representatives advised that they would be willing to agree to an extension to September 15, 2022, which is subject to Board approval.

Board representatives learned that UPA made material omissions to it in that it had failed to advise them that the administrator had been appointed to its legacy Board which is an entity created by the UPA’s By-laws and further failed to advise them that the administrator would run a foundation which uses UPA’s brand-name and operates out of the same office suite as UPA. Board representatives thereafter demanded immediate compliance with the conditions, which UPA refused and has yet to demonstrate proof of compliance.

Nevertheless, the following facts make the material breach and UPA’s noncompliance with the February Board Report timeline effectively moot, but still harmful to the Board’s interests and oversight responsibilities: (1) the CEO is recommending the non-renewal of UPA’s charter at the end of the SY2022-23 School Year, (2) the Charter School is currently operating and (3) it is not in the best interest of students to disrupt the SY2022-23 school year by either declaring that no Charter exists or immediately revoking the Charter. Consequently, the CEO recommends that the Board amend its renewal authorization for Urban Prep Academies for Young Men – Englewood Campus as set forth in the underlined sections below.

Authorize renewal of the Urban Prep Charter Academy for Young Men High School - Englewood Campus Agreement (the “Charter School Agreement”) for a one year period, commencing July 1, 2022 and ending June 30, 2023, with performance benchmarks and conditions. A new Charter School Agreement, which will constitute the Charter applicable to this renewal term, will include the conditions set forth in this report and the benchmarks as established by the Chief Executive Officer or designee, the Innovation and Incubation Department. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. The Renewal and any related contracts must be executed by the current contract's expiration date in order for First Quarter funding to be released for the new contract term. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Urban Prep Academies, an IL not-for-profit corporation
 420 North Wabash Avenue, Suite 300
 Chicago, Illinois 60611
 Phone: 312.276.0259
 Contact Person: Dennis Lacewell, Interim Chief Executive Officer

CHARTER SCHOOL: Urban Prep Charter Academy for Young Men High School - Englewood Campus
 6201 S. Stewart Avenue
 Chicago, IL 60621
 Phone: 773.535.9724

Contact Persons: Dennis Lacewell, Interim Chief Executive Officer and
Joseph Mason, Principal

OVERSIGHT: Office of Innovation and Incubation
42 West Madison Street, 3rd Floor
Chicago, Illinois 60602
Phone: 773-553-1530
Contact Person: Alfonso Carmona

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 05-1116-EX14) was for a term commencing September 29, 2006 and ending June 30, 2011, and authorized the operation of a charter school serving no more than 598 students in grades 9 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2011 and ending June 30, 2015 (authorized by Board Report 11-0427-EX12). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2015 and ending June 30, 2018 (authorized by Board Report 15-0527-EX9). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2018 and ending June 30, 2021 (authorized by Board Report 17-1206-EX17). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2021 and ending June 30, 2022 (authorized by Board Report 21-0127-EX4.)

CHARTER RENEWAL PROPOSAL: Urban Prep Academies submitted a renewal proposal on September 17, 2021 to continue the operation of Urban Prep Charter Academy for Young Men High School - Englewood Campus (“Urban Prep-Englewood”). The charter school shall continue to be located at 6201 S. Stewart Ave and shall continue to serve grades 9 through 12 with a maximum enrollment of 598 students.

The Charter School Agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Urban Prep - Englewood’s academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on January 6, 2022 for all contract and charter schools going through renewals to receive public comments, including Urban Prep - Englewood. The Office of Innovation and Incubation recommends that, based on the school’s performance on these and other accountability criteria, Urban Prep - Englewood be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Urban Prep - Englewood’s charter and Charter School Agreement is being extended for a one (1) year term commencing July 1, 2022 and ending June 30, 2023.

ADDITIONAL TERMS AND CONDITIONS: The following conditions shall be incorporated into the Charter Agreement between the Board of Education of the City of Chicago and Urban Prep - Englewood. Additional Performance Benchmarks will be established by Innovation & Incubation and communicated to Urban Prep Academies in a separate letter.

- Urban Prep Academies and its Board members, administrators and employees shall cooperate in all investigations by the district’s Inspector General and Office of Student Protections and comply with all directives from the district’s Title IX Officer.
- All checks, bank drafts, other financial instruments or electronic payments of expenditures in excess of \$10,000 made by Urban Prep Academies shall require two authorizing signatures.
- All Urban Prep Academies expenditures in excess of \$50,000 by vendor, individually or in the aggregate, shall be subject to approval by the Urban Prep Academies Board of Directors at a public meeting after public comment absent an emergency.

- Any credit card debt in excess of \$25,000 and any other loan, or other debt incurred by Urban Prep Academies in excess of \$50,000 in the aggregate shall be approved by the Urban Prep Academies Board of Directors at a public meeting at which there is an opportunity for public comment. At that time, the Board will provide the public with transparent visibility into Urban Prep Academies' current financial statements including forecasted projections that outlay the proposed timeline for repayment.
- Urban Prep Academies shall not enter any "sale of receivables" transaction in which anticipated revenues from the Chicago Board of Education are pledged as collateral without the express written authorization from the Chicago Board of Education which has been approved in a Chicago Board of Education public meeting.
- No later than ~~June 30~~, September 15, 2022, the Urban Prep Academies Board of Directors shall submit to the Board the following:
 - a viable three-year financial plan for fiscal years 2024, 2025 and 2026 which demonstrates its financial sustainability over the three-year period;
 - a plan for a reformed governance structure to be effective no later than September 30, 2022 that prohibits any one person from holding a directorship and an executive position or other position with substantial financial decision-making authority and eliminates the risk of conflicts of interest, self-dealing, and other mis- or malfeasance inherent in holding both positions;
 - a Code of Ethics that requires that Urban Prep Academies' directors, executives, administrators, and employees avoid conflicts of interest, advance the mission of the organization, advance the public interest and act with personal and professional integrity;
 - a system of internal controls that minimizes risks of financial or administrative mis- or malfeasance; and,
 - a plan for implementing the internal control framework should be approved by the Urban Prep Academies Board's audit committee or the entire Urban Prep Academy Board and fully implemented within one year using a phased approach that prioritizes the most significant risk areas (e.g., financial controls) for Urban Prep Academies.
- In the event that any of the pending investigations regarding Urban Prep Academies, its employees, administrators, executives or directors are substantiated for misfeasance or malfeasance by a Urban Prep Academies volunteer, employee, administrator, executive or director, the Urban Prep Academies Board of Directors shall implement the recommendations of the investigative body as soon as practicable or, if the Board's Chief Executive Officer or designee agrees that implementation of the recommendation is impractical, imprudent or impossible, Urban Prep Academies and the Board's Chief Executive Officer will consult with the Investigative body to implement an alternative remedial action. ~~and, if~~ If no recommendation is made by the investigative body, the Urban Prep Academies Board of Directors shall immediately consult with the Board of Education's Chief Executive Officer or designee and agree on the appropriate actions to take with respect to the subject(s) of the investigation.
- On an annual basis throughout the term, the school must achieve a rating of "Meets Standards" or higher on the Document Timeliness indicator.
- On an annual basis throughout the term, the school must demonstrate compliance with ODLSS timely completion of evaluations/IEPs and RSP service documentation.
- On an annual or more frequent basis throughout the term, the school must ensure the accuracy of teachers reported as licensed in their Employee Roster by validating it with the ISBE Educator Licensure System (ELIS). School will notify staff in writing of deficiencies and pending licensure renewal deadlines, as needed. On an annual basis throughout the term, school must demonstrate compliance with the 75% teacher licensure requirement.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement and amendment. Authorize the President and Secretary to execute the written Charter School Agreement and amendment. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement required by the Illinois State Board of Education.

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

FINANCIAL: The financial implications will be addressed during the development of the 2022-23 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY22 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

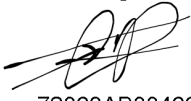
Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary 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, 1996 (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 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:


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Alfonso Carmona
Chief of Portfolio

Approved:

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Pedro Martinez
Chief Executive Officer

Approved as to Legal Form:

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Joseph T. Moriarty
General Counsel