

AMEND BOARD REPORT 25-0424-EX4
AUTHORIZE RENEWAL OF THE ASPIRA CHARTER SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the ASPIRA Charter School Agreement (the "Charter School Agreement") with conditions for an additional two-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. 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.

This March 2026 amendment is necessary to (a) effectuate emergency revocation of ASPIRA Charter School's charter and Charter School Agreement for the reasons set forth below, and (b) authorize wind down proceedings for the charter school. ASPIRA Inc. of Illinois shall wind down and cease operations of its charter school and associated campuses, and return its charter to the Board effective as of April 4, 2026.

SCHOOL OPERATOR: ASPIRA Inc. of Illinois, an IL not-for-profit corporation
 3013 N. Monticello Avenue
 Chicago, Illinois 60618
 Phone: 773-252-0970
 Contact: Edgar Lopez, Chief Executive Officer

CHARTER SCHOOL: ASPIRA Charter School
 3013 N. Monticello Avenue
 Chicago, Illinois 60618
 Phone: 773-252-0970
 Contact: Edgar Lopez, Chief Executive Officer

OVERSIGHT: Office of Innovation and Incubation
 42 W. Madison Street, 3rd Floor
 Chicago, IL 60602
 Phone: 773-553-1530
 Contact Person: Conrad Timbers-Ausar ~~Alfonso Carmona~~, Acting Chief Portfolio Officer

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 02-0925- EX02) was for a term commencing July 1, 2003 and ending June 30, 2008 and authorized the operation of a charter school serving no more than 450 students in grades 9 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2008 and ending June 30, 2013, serving no more than 1,500 students in grades 6 through 12 (authorized by Board Report 08-0227- EX26). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2013 and ending June 30, 2018, serving no more than 1,250 students (authorized by Board Report 13-0227-EX5). The charter and Charter School Agreement were amended for the establishment of one new high school campus named ASPIRA Business and Finance High School Campus at 2989 N. Milwaukee Avenue to open in the fall of 2014 and serve an at capacity enrollment of 1,000 students in grades 9 through 12, thereby increasing the overall at capacity enrollment of the charter school to 2,250 students (authorized by Board Report 13-0424-EX11). The charter and Charter School Agreement were then amended for the change in the start date of the ASPIRA Business and Finance High School Campus from fall of 2014 to fall of 2015. Due to this delay, the overall at capacity enrollment at the charter school for the fall of 2014 will be 1,700 students; for fall

of 2015 will be 1,950 students; and for fall of 2016 will be 2,250 students (authorized by Board Report 14-0528-EX4). The charter and Charter School Agreement were then amended for the change in the phase-out completion date for Mirta Ramirez High School Campus from June 30, 2016 to June 30, 2015. Due to the change in the phase-out year, the overall at capacity enrollment of the charter school will decrease to 1,500 students beginning in the fall of 2015 and increase to 2,250 students beginning in the fall of 2016. Also approved the disbursement of one-time incubation and startup funds for the ASPIRA Business and Finance High School Campus opening in the fall of 2015 (authorized by Board Report 15-0527-EX14). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2018 and ending June 30, 2025 (authorized by Board Report 17-1206-EX8).

CHARTER RENEWAL PROPOSAL: On July 31, 2024, ASPIRA Inc. of Illinois submitted a renewal proposal to continue the operation of ASPIRA Charter School under a unified mission. On December 6, 2024, ASPIRA Inc. of Illinois provided the Office of Innovation and Incubation written notice of its intent to remove the ASPIRA Haugan Middle School attendance center from its 2024-2025 charter renewal application. On January 8, 2025, the ASPIRA Inc. of Illinois Board of Directors officially voted to remove the ASPIRA Haugan campus from its 2024-2005 charter renewal application, wind down, and cease operations for this attendance center by July 1, 2025.

The remaining ASPIRA Charter School attendance centers shall continue to be located according to the chart below and shall serve grades 6-9 through 12 with a maximum enrollment of ~~2,250~~ 1,600 students.

Campus Name	Year Opened	Address	At Capacity Grades	At Capacity Enrollment
Haugan Middle School	2005	3729 W. Leland Avenue	6-8	650
Early College High School	2007	3986 W. Barry Avenue	9 - 12	600
ASPIRA Business and Finance High School	2015	2989 N. Milwaukee Avenue	9 - 12	1,000

The 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.

As a condition of ASPIRA's renewal of charter for a term commencing on July 1, 2025 and ending on June 30, 2027, ASPIRA was placed on financial remediation. The remediation required ASPIRA to participate in a Root Cause Analysis and to submit monthly cash flow statements.

On June 30, 2025, ASPIRA's CEO formally requested a \$550,000 advance on its Quarter 1 payment, citing restricted cash flow and an inability to meet immediate operational obligations. CPS reviewed the request and approved a partial advance of \$250,000 to allow the school to make payroll.

On November 14, 2025, I&I issued a Notice of Financial Irregularities to ASPIRA. The Notice outlined the following:

- ASPIRA overestimated its revenue and failed to accurately forecast and adjust for enrollment decline. ASPIRA submitted a FY26 budget that assumed enrollment of 698 students with no contingency or risk factor adjustment. On June 1, 2025, the enrollment was 659 students, and the actual 20th day enrollment count for FY26 was at 571. It was fiscally negligent to project an enrollment count that exceeded the previous year without any contingencies or risk factor adjustments.

- ASPIRA overrelied on advances and did not provide clarity of their FY26 operational deficit. Initially, ASPIRA's FY26 budget cited a \$1.6 million deficit, which was later revised to an operational deficit of \$2.3 million. Compounding this, ASPIRA then requested an additional \$5.1 million in advanced funding to conclude the 2025-2026 school year. This request represents 130% of the Per Capita Tuition Charge (PCTC), significantly exceeding the statutory maximum by 27%. On November 13, 2025, after I&I's inquiry of the shifting request for advances, ASPIRA reduced its request to \$3.8 million, which was still 17% above the maximum for PCTC.
- ASPIRA failed to complete its FY25 financial and compliance audit. The audit was due on November 3, 2025 and remains outstanding.
- Prior to the 2025-2026 school year, ASPIRA took ineffective corrective action to achieve fiscal balance by voluntarily closing its Haugan Middle School campus. The closure did not produce financial relief due to ASPIRA's staffing miscalculations under the CTU-ACTS collective bargaining agreement.
- I&I outlined corrective action to be taken by ASPIRA and requested a myriad of financial documentation. ASPIRA was given notice that failure to comply in full and on time would trigger revocation proceedings under 105 ILCS 5/27A-9.

On January 18, 2026, I&I issued a Second Notice of Financial Irregularities. The Notice outlined the following:

- ASPIRA's continued failure to clarify its operational deficit for FY26. On January 13, 2026, ASPIRA resubmitted its monthly budget, which showed an operational deficit of \$4.8 million for the completion of the 2025-2026 year. This figure represents a \$1 million increase over the deficit ASPIRA had reported just two months earlier. After a subsequent check-in on January 16, 2026, ASPIRA decreased this amount to \$4.7 million.
- ASPIRA's display of accounting irregularities. On January 16, 2026, ASPIRA displayed its General Ledger, where its January advance was identified as deferred revenue. This finding contradicts ASPIRA's previous claim of being unable to locate these funds—an inconsistency that ASPIRA leadership was unable to reconcile.
- ASPIRA's loss of key financial personnel. ASPIRA has failed to engage a Chief Financial Officer for FY25/26 school year and ASPIRA's senior accountant resigned abruptly on January 9, 2026.
- ASPIRA's continued failure to complete its FY25 financial and compliance audit that was due November 3, 2026.
- Notice to ASPIRA that CPS has engaged its Office of Internal Audit to conduct a further review of ASPIRA's financial and internal practices as a result of ASPIRA's internal accounting irregularities.

On January 29, 2026, I&I issued an Inquiry to ASPIRA regarding transferred properties. I&I received information that ASPIRA transferred two of its properties to a newly created business entity identified as ASPIRA Illinois Foundation NFP. To ensure the proper use of public funding and pursuant to the District's financial oversight, I&I requested a detailed production of financial records to be submitted by February 13, 2026.

On February 12, 2026, I&I issued a notice to ASPIRA regarding Past Due submission of the following:

- The FY25 Financial and Compliance Audit
- Operational Reporting:
 - General Ledger any Payroll for December 1, January 12, January 26, or February 9.
 - Monthly Cash Flow Statements for the months of August 15, 2025 through January 15, 2026.

On February 20, 2026, I&I issued a notice to ASPIRA informing them that no additional funding would be provided beyond the statutory maximum of 103% PCTC. As a result, ASPIRA was required to provide a clear and comprehensive plan that outlines how ASPIRA would fund operations for the remainder of the 2025-26 school year addressing the following:

- A definitive statement on whether ASPIRA intends to continue operations through the end of the

- 2025-2026 school year or if the Board of Directors intends to initiate a self-closure.
- If ASPIRA intends to remain open, verifiable evidence of additional funding from a third-party source — or ASPIRA's national organization — sufficient to cover the projected deficit

On February 23, 2026, ASPIRA issued a letter to I&I of its intent to remain open and continue operations for the remainder of the 2025-2026 school year. However, ASPIRA did not provide any documentation or comprehensive plan as to how it planned to fund operations. Instead, ASPIRA requested additional funding from CPS in the form of retroactive funding for the previous four (4) years and a promise to launch a crowdfunding campaign.

On February 25, 2026, I&I issued a Notice to ASPIRA denying ASPIRA's request for additional funding and informing ASPIRA that in the absence of its ability to provide documentation to secure funding to sustain operations through the end of the 2025-2026 school year, CPS will begin a process for students to transition to other schools. The notice also identified the following financial records, which remain outstanding:

- The FY25 Financial and Compliance Audit; and
- Operational Reporting:
 - General Ledger any Payroll for December 1, January 12, January 26, or February 9, February 13, February 23.
 - Monthly Cash Flow Statements for the months of August 15, 2025 through January 15, 2026.

On March 4, 2026, ASPIRA issued a "Notice of Layoff due to School Shutdown" to certain ASPIRA staff members, stating that ASPIRA's "lack of funding will require closure of [Aspira Early College] and [Aspira Business and Finance] by April 4, 2026." ASPIRA also sent a notice to the Chicago Teacher's Union on March 4, 2026 indicating that layoffs were expected to occur on April 4, 2026 for several position titles, impacting approximately 55 employees.

After CPS began working in earnest to communicate options to families to support them in transitioning to other schools, ASPIRA provided conflicting information to students and families. For example, on March 2, 2026, ASPIRA made an announcement on the intercom at Aspira Early College claiming that students who choose to transfer will lose class credits. ASPIRA similarly informed seniors that they would not be able to graduate if they transferred. ASPIRA's actions caused confusion and fear for students and families, and deliberately interfered with CPS' efforts to ensure a smooth transition.

Despite repeated attempts by CPS in the weeks preceding this action to engage ASPIRA's leadership about providing clarity on the financial status of the charter operator and closure, ASPIRA has refused to discuss in a transparent way in light of the conflicting information being sent to students and staff that the schools are closing, while representing to CPS that they are staying open.

Pursuant to the Illinois Charter Schools Law and the Charter School Agreement, the CEO recommends emergency revocation of the charter and Charter School Agreement for ASPIRA Charter Schools because of ASPIRA's failure to meet generally accepted standards of fiscal management. ASPIRA Inc. of Illinois shall wind down and cease operations of its charter school and associated campuses, and return its charter to the Board effective as of April 4, 2026.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of ASPIRA Charter School'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 February 4, 2025, for all charter schools going through renewal to receive public comments, including ASPIRA Charter School. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent

to satisfy the "Additional Terms and Conditions" referred to herein below, ASPIRA Charter School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of ASPIRA Charter School's charter and agreement is being extended for a two (2) year term commencing July 1, 2025 and ending June 30, 2027. ASPIRA Charter School's charter and agreement are being revoked. The charter for this school shall be returned to the Board effective as of April 4, 2026.

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 ASPIRA Inc. of Illinois:

- Due to its Financial Performance outcomes, the network must participate in the Innovation & Incubation Financial Remediation process. This process requires networks to complete a Root Cause Analysis and submit monthly cash flow statements for additional oversight. If the network remains in Financial Remediation in the following year, it will also be required to submit a Financial Corrective Action Plan.
- All campuses must demonstrate progress toward implementing the Recommendations codified in the Special Education Renewal Site Visit Report by the Office for Students with Disabilities (OSD).
- On an annual basis throughout the term, all campuses must meet state and federal rules governing English Learners as demonstrated by a rating of Partial or higher on formal compliance reports from the Office of Multilingual-Multicultural Education (OMME). Chicago Public Schools has designated OMME to conduct school visits and determine school compliance with state and federal rules regarding English Learner programs.
- By July 1st, 2025, and annually throughout the term, no one person shall hold a directorship and an executive position or other position with substantial financial decision-making authority.


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 wind down proceedings for the charter school. Authorize the President and Secretary to execute the written Charter School Agreement and any ancillary documents to facilitate wind down proceedings for the charter school. 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 as required by the Illinois State Board of Education. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the emergency revocation of the charter and the Charter School Agreement and any other information as may be necessary due to the closure of the charter school.

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 2025-2026 2026-2027 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY256 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS: The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy Section 404.2; Ethics provision, in accordance with the Board's Ethics Code as amended, and a Contingent Liability provision.

Approved for Consideration:


Signed by:

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Conrad Timbers-Ausar
Interim Chief Portfolio Officer

Approved:

Signed by:

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Macqueline King, Ed.D
Interim Superintendent/Chief Executive Officer

Approved as to Legal Form:

Initial
EKS

Signed by:

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Elizabeth K. Barton
Acting General Counsel