

June 27, 2024

AUTHORIZE EXTENSION OF OPERATIONS OF URBAN PREP CHARTER ACADEMY FOR YOUNG MEN HIGH SCHOOL BRONZEVILLE CAMPUS AGREEMENT WITH CONDITIONS**THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:**

The Chief Executive Officer recommends that the Board of Education extend the Charter granted to Urban Prep Charter Academy for Young Men High School - Bronzeville Campus ("UP Bronzeville") through June 30, 2025 to support UP Bronzeville's enrolled students and to provide opportunity to conduct a full evaluation of the performance and conditions to which UP Bronzeville has been subject to in this Board Report and Board Report 23-1214-EX3. A Charter School Agreement currently being negotiated between the Board and UP Bronzeville, in connection with Board Report 23-1214-EX3 will be extended to include the information and terms in this Board Report. 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.

SCHOOL OPERATOR: Urban Prep Academies ("UPA"), an IL not-for-profit corporation
420 North Wabash, Suite 300
Chicago, IL 60611

CHARTER SCHOOL: Urban Prep Charter Academy for Young Men High School - Bronzeville Campus
521 E 35th St, Chicago, IL 60616
Phone: (773) 624-3444
Contact: Dennis Lacewell, Board Member / Interim Chief Executive Officer

OVERSIGHT: Office of Innovation and Incubation
42 West Madison Street, 3rd Floor
Chicago, IL 60602
Contact: Zabrina Evans, Executive Director

PRIOR AGREEMENTS: The original Charter School Agreement (authorized by Board Report 09-1123-EX19) was for a term commencing July 1, 2010 and ending June 30, 2015, and authorized the operation of a charter school serving no more than 500 students in grades 9 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2015 and ending June 30, 2020 (authorized by Board Report 15-0527-EX8). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2020 and ending June 30, 2023 (authorized by Board Report 20-0122-EX11). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2023 and ending June 30, 2024 (authorized by Board Report 23-1214-EX3), pursuant to a court order that has since been reversed.

CURRENT CHARTER: On June 6, 2024, the Appellate Court of Illinois, First Judicial District reversed the circuit court's declaratory judgment requiring the Board to authorize UPA's charter as noted in Board Report 23-1214-EX3.

EXTENDED TERM: In the interests of continuity and predictability for enrolled students and their families, and given the timing of the Appellate Court's decision, the term of Urban Prep - Bronzeville's charter is being extended for one additional year to end June 30, 2025.

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 - Bronzeville. Additional Performance Benchmarks may 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.
- Investigations by federal, state, local, or regulatory agencies relating to Urban Prep Academies and/or its current or former employees, administrators, executives, volunteers, or directors may result in administrative or criminal actions or substantiated findings of misfeasance or malfeasance. As soon as practicable following such findings or the filing of a criminal or administrative action, Urban Prep Academies shall implement any remedial actions recommended by the investigating authority as the result of its investigation. If, however, the Board of Education's Chief Executive Officer or designee determines that the recommended remedial actions are impractical, imprudent, or impossible, Urban Prep Academies and the Board's Chief Executive Officer shall consult with the investigating authority to implement alternative remedial actions. If the investigating authority makes no remedial recommendations or files criminal charges or an administrative action, 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.
- Urban Prep Academies Board of Directors shall submit to the Board no later than July 31, 2024, a viable three-year financial plan for fiscal years 2024, 2025, and 2026 which demonstrates its financial sustainability over the three-year period.
- 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 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, Urban Prep Academies must demonstrate compliance with the 75% teacher licensure requirement.
- On an annual basis throughout the term, the school must demonstrate compliance with ODLSS timely completion of evaluations/IEPs and RSP service documentation.
- Urban Prep Academies and its Board members, administrators and employees shall comply and cooperate with the Board's right to permanently bar individuals, including Tim King, from CPS property or from having contact with Urban Prep Academies or CPS students. Urban Prep Academies shall require Urban Prep Academies' security staff to reasonably coordinate with CPS security staff to ensure that CPS security is alerted to the presence of any such barred person on CPS property.
- Urban Prep Academies and its Board members, administrators and employees shall not encourage or promote any third party's use of the Urban Prep name in association with the Urban Prep Foundation. Urban Prep Academies shall withdraw permission or provide legal notice to cease the use of the Urban Prep trademark to Urban Prep Foundation and to provide the Board documentation of such withdrawal of permission. Urban Prep Academies shall also comply with requests for information to discover the business relationship (or any other connection) between it and Urban Prep Foundation.
- To amend its bylaws to require that, Urban Prep Academies shall consult with CPS Board

representatives or Illinois State Board of Education representatives or an independent Charter organization's representatives before approving any nominations to sit on the Urban Prep Academies Board.

- To fill all vacancies on the Urban Prep Academies Board so that all Board member seats provided for in its Bylaws are filled.
- Submit a Board Meeting Schedule to inform I&I of all Urban Prep Board of Directors' meetings to be held;
- Submit the Finance and Compliance Audit along with the documents required by the Board (SPED Breakdown, Board Affidavit, Loan Timeliness Form, and the Financial and Compliance Scorecard Template), reflecting the activities of the entire organization;
- Meet with CPS ODLSS staff to ensure compliance with all special education requirements set forth by its Charter Agreement and the ODLSS, including that IEPs are up to date and all service capture minutes and SPED minutes have been entered into ASP & SSM.
- On a monthly basis, on the first business day of the month:
 - submit timely monthly Cash Flow Statements for the preceding month, in accordance with the Board's compliance calendar, and such statements must reflect a positive balance for the activities of the entire organization;
 - post the meeting schedules, agendas, and minutes for governing board meetings held by the Charter School on its website in accordance with the timelines prescribed by the Illinois Open Meetings Act; and Board of Education of the City of Chicago School District 299;
 - submit approved board meeting minutes for any governing board meetings that occurred in the prior month.
- Urban Prep Academies must additionally provide:
 - A plan for a reformed governance structure to be submitted no later than July 31, 2024 and to be effective December 1, 2024, 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, including but not limited to (i) GAAP accounting methods; (ii) a checking account; (iii) adequate payroll procedures; (iv) bylaws; (v) an organizational chart; (vi) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (vii) internal control procedures for, including but not limited to, cash receipts, cash disbursements and purchases; and (viii) maintenance of asset registers and financial procedures for grants in accordance with Education Department General Administrative Regulations ("EDGAR") or the State Board.; 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 as soon as possible and fully implemented on or before December 1, 2024 using a phased approach that prioritizes the most significant risk areas (e.g., financial controls) for Urban Prep Academies.
- Urban Prep Academies shall continue to comply with the below conditions during the term of the Charter School Agreement:

- 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; and
- 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.

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. Authorize the President and Secretary to execute the written Charter School Agreement. 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.

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

FINANCIAL: Funding is available in Units 66441 and 66442.

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 Portfolio Officer


Approved:

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Pedro Martinez
Chief Executive Officer

Approved as to Legal Form:

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Ruchi Verma
General Counsel