

School District U-46
Elgin, Illinois

June 26, 2017

The Special Meeting of the Board of Education was called to order at 7:01 p.m. at the Educational Services Center, 355 East Chicago Street, Elgin, Illinois. The following Board members answered roll call: Phil Costello, Traci O'Neal Ellis, Sue Kerr, Veronica Noland, Melissa Owens, Jeanette Ward, and Donna Smith.

Also in attendance were: Student Board Member Casey Pearce, Chief Executive Officer Tony Sanders, and Chief Legal Officer Miguel Rodriguez. The following administrators were also present: Dr. Suzanne Johnson, Dr. Jeff King, Dr. Ushma Shah, Christopher Allen, Dale Burnidge, Mary Fergus, John Heiderscheidt, Brian Lindholm, Melanie Meidel, Luis Rodriguez, and Leatrice Satterwhite. Also present were: media representatives Rafael Guerrero of the Courier and Seth Hancock of the Examiner, as well as other administrators, guests, and visitors. Ms. Pearce led the recitation of the Pledge of Allegiance.

1. Comments from the Audience

Megan Larson spoke about her concerns with the proposed EMSA Charter School. Ms. Larson feels that after three years of preparation the EMSA team should be much more prepared. Ms. Larson pointed out that EMSA had sent revised materials to the Board last night correcting the fact that EMSA had forgotten to budget for food. Ms. Larson raised concerns that EMSA only budgeted for a 5% increase in health care costs when the state has seen double digit increases in employer contributions the last two years. Ms. Larson raised concerns that EMSA is estimating the costs of building repairs based on an inspection from 2011. Ms. Larson feels that there are glaring errors in the EMSA proposal and approving the proposal would inhibit any viable charter school proposals in the future. Ms. Larson asked the Board to deny this proposal.

Keith Rauschenberger spoke in support of the EMSA Charter School proposal. Mr. Rauschenberger stated that over the course of four years the EMSA budget has been vetted and molded by the input of scores of individuals and organizations including U-46, the Illinois Network of Charter Schools, Afton Partners, the State Charter School Commission, Matt Shaw, and Expeditionary Learning. Mr. Rauschenberger stated that the EMSA budget is not the product of EMSA but of all these groups. Mr. Rauschenberger feels that this is the most vetted and scrutinized budget he has ever been a part of. Mr. Rauschenberger recommended the Board approve this proposal.

Anne Brown, of the Illinois Network of Charter Schools (INCS), spoke in support of the EMSA Charter School proposal. Ms. Brown stated that her company has connected the EMSA team with resources and experts from the charter sector. Ms. Brown thanked everyone for the time they have invested in reviewing the proposal. Ms. Brown recognizes the challenges with approving a charter proposal for the first time. Ms. Brown stated that INCS has great confidence in the EMSA team and their success. Ms. Brown stated that since April 10, 2017, when the U-46 Board approved the proposal pending

successful contract negotiations, each party has made concessions and compromises in order to arrive at an agreement that is mutually beneficial. Ms. Brown stated that the contract has been carefully negotiated and vetted. Ms. Brown asked the Board to execute the agreement and allow EMSA to move forward with its plans.

Veronica Betz spoke about her concerns with the proposed EMSA Charter School. Ms. Betz stated that in another district a charter school proposal was withdrawn for the good of the students based on the financial climate of the state. Ms. Betz does not feel EMSA is what is best for the U-46 students and she asked the Board to deny this charter proposal.

Denise Momodo spoke in support of the EMSA Charter School proposal. Ms. Momodo asked the Board to approve the proposal to allow her to send her daughter to a school of her choice.

Carol Rauschenberger spoke about the proposed lease between the City of Elgin and the Elgin Charter School Initiative. Ms. Rauschenberger stated that the City of Elgin preliminarily approved the proposed lease with the Elgin Charter School Initiative for the Fox River Country Day School property on March 8, 2017. The proposed lease agreement will be placed on the City Council agenda for the June 28, 2017 meeting for council approval. Ms. Rauschenberger stated that she believes the proposed lease will be approved. Ms. Rauschenberger added that she spoke with City Council member Cory Dixon and he is in full support of the lease as well as the charter school.

Dennis Verges spoke in support of the EMSA Charter School proposal. Mr. Verges spoke about the outreach he has personally done. Mr. Verges has spoken to many of his neighbors and they are very interested in the school. Mr. Verges stated that he will be working closely with the Elgin Hispanic Network, the Elgin Housing Authority, and council member Corey Dixon on outreach for EMSA. Mr. Verges stated that he has a personal interest in this school because he would like his daughter to attend it. Mr. Verges would like to see this school available for students who learn more from doing rather than being told how to do. Mr. Verges stated that he will continue to talk to families about the school.

Doree Haight spoke in support of the EMSA Charter School proposal. Ms. Haight reviewed a timeline of articles dating back to April 2015 stating that District U-46 was addressing under-utilized schools, building closures, boundary changes, and the possibility of a magnet school. Ms. Haight stated that she understands that everyone is worried about the charter school failing but the District needs to take risks to make dramatic changes and keep innovating. Ms. Haight stated this will be a continuous process and a partnership. Ms. Haight stated that students are complicated and the goal of schools should be to motivate students to do their best, support their classmates, and give back to their community. Ms. Haight stated that this is the core of EMSA. Ms. Haight asked the Board to approve the proposal.

Kerry Kelly spoke in support of the EMSA Charter School proposal. Ms. Kelly thanked the Board and administrators for all their efforts. Ms. Kelly stated that U-46 leaders have assured them that they will continue to work and collaborate with EMSA as they move forward. Ms. Kelly stated that EMSA and the District have the best interest of all students at heart. Ms. Kelly stated that EMSA and the U-46 District would like to close the achievement gap that persists in Elgin elementary schools. Ms. Kelly stated that the Expeditionary Learning model has documented success in closing achievement gaps. She and EMSA understand that additional concerns have been made by administration and EMSA would like the opportunity to address them. Ms. Kelly stated that when EMSA is operational and if the District does not get paid from the state, EMSA will not expect to get paid from the District. Ms. Kelly stated that EMSA would not receive funding until July 2018 and hopefully the State will be funding the District again by then. Ms. Kelly stated that throughout the budget process EMSA has consulted with Mr. Shaw, a charter school financial expert, and benefited from the U-46 Board's close examination of the budget. Ms. Kelly wanted to dispel the notion that 92% PCTC (per capita tuition cost) puts EMSA in a precarious position. Ms. Kelly stated that they would prefer 100% but their budget can withstand significant adjustments. Ms. Kelly stated that EMSA's expenses per student are in line with other charter schools they have researched. Ms. Kelly stated that EMSA will have, in effect, over \$1 million in reserves by year six. Ms. Kelly stated that on April 10, 2017 the U-46 School Board approved the EMSA proposal by a vote of six to one. She stated that a condition to the approval was the requirement that administration reach a charter agreement with EMSA. Ms. Kelly stated that EMSA negotiated in good faith with the administrative team and made multiple adjustments and concessions. She believes EMSA has responded to all additional requests promptly. Ms. Kelly stated that on June 21, 2017 an agreement was reached. Ms. Kelly stated that EMSA truly wants to be an asset to the District. Ms. Kelly stated the EMSA campus could be a learning lab for all U-46 students and the Expeditionary Learning model and accelerated math can be studied and adopted in U-46 schools. EMSA will bring a new excitement and interest in U-46.

2. Work Session

A. Approval of the Board of Education's Travel Expenses to the Illinois Association of School Boards 2017 Joint Annual Conference

Motion by Ms. Kerr, second by Mrs. O'Neal Ellis to approve lodging expenses associated with attending the Illinois Association of School Boards 2017 Conference November 17-19, 2017 for Board members Donna Smith, Sue Kerr, Traci O'Neal Ellis, Melissa Owens, as well as Chief Executive Officer, Tony Sanders in a total amount not to exceed \$2,110.00.

Mr. Costello indicated that he would be voting in favor of this motion even though he is opposed to IASB. Mr. Costello stated that he respects the Board's work and hopes the attending members will benefit from it.

Ms. Ward indicated that she would also be voting yes to this motion even though she has voiced her disagreement with IASB in the past.

Ms. Noland stated that she will be attending the conference on Saturday but not spending the night. Ms. Noland stated that she supports each Board member's decision to attend and to stay or not to stay. Ms. Noland stated that she finds the IASB to be extremely valuable.

Mrs. Smith stated that there are not only sessions on Saturday but also on Friday and Sunday morning.

Upon roll call, yes votes: Mr. Costello, Mrs. O'Neal Ellis, Ms. Kerr, Ms. Noland, Ms. Owens, Mrs. Ward, and Mrs. Smith. No votes: 0. The motion carried by a vote of 7-0.

B. Elgin Charter School Initiative Elgin Math and Science Academy (EMSA) Charter School Agreement - Resolution Approving the Proposal and the Mutually Agreed upon Contract Hereby Attached as Exhibit A

Motion by Mr. Costello, second by Ms. Owens to approve the Resolution Regarding the Elgin Math and Science Academy Charter School Initiative Proposal at District U-46 Granting Approval of the Charter School Proposal and the Mutually Agreed Upon Contract Hereby Attached as Exhibit A

Mrs. Ward stated that she was unsure if this motion was valid because the Board already approved the EMSA proposal on April 10, 2017. She asked if the Board should be voting on the contract and not on the proposal.

Mr. Rodriguez stated that the approval of the original resolution was contingent or subject to the negotiations of the proposed contract. Mr. Rodriguez stated that the motion needs to be approved the way it was written.

Mr. Costello and Ms. Noland also feel that this motion should be for the contract not the proposal.

Mr. Rodriguez stated that in his legal opinion the motion should be approved the way it was written.

Mrs. Smith stated that this resolution is not worded the same. Mrs. Smith stated that this resolution is approving the proposal and the contract whereas, the previous resolution was approving the proposal contingent on contract negotiations.

Ms. Noland stated that she feels like this was a bait and switch. She thought the Board was going to be presented with an agreed upon contract that both sides had worked to achieve and that is what the Board would be voting on. Ms. Noland stated that on Friday when the meeting agenda and supporting documents became available it was suddenly something different. Mr. Noland believes this is opening the proposal back up to be rehashed again and basically, in her opinion, negating all the efforts making the Board seem disingenuous in its negotiations with

EMSA. Ms. Noland feels that all along administration has not worked in good faith. Ms. Noland stated that the vote in April was to conditionally approve the charter with the notion that the District would be working together with EMSA toward a contract and now the Board is not being presented with a contract to vote on but being presented with a new proposal on approving the charter school.

Mrs. O'Neal Ellis stated that the resolution in April was a conditional resolution and it has no meaning unless the Board and EMSA reach a mutually agreed upon contract. The proposal and the contract go together and need to be voted on together.

Mrs. Ward asked what effect did the vote in April have. Mrs. O'Neal Ellis stated that it had the effect of giving administration authorization to negotiate on the Board's behalf. Mrs. O'Neal Ellis stated that only the Board can decide if the contract is mutually agreed upon.

Ms. Noland asked who made the decision that the Board would be voting on this resolution instead of a contract.

Mr. Rodriguez and Mrs. Smith stated that the legal department made the decision because the resolution is contingent on the contract.

Ms. Noland stated that she would like to move forward with EMSA. Ms. Noland feels this has been an appropriate process and EMSA is a grassroots group that has been working for four or five years to create something new and innovative for the District. Ms. Noland compared EMSA to the District Dual Language program. Ms. Noland sees this as a possibility not an outside company trying to make money off students. Ms. Noland stated that the reason she feels so strongly about this is because of her experiences with her child. Ms. Noland stated that this is not about money it is about providing an opportunity for students to grow, especially students that may not have that opportunity otherwise. Ms. Noland urged her colleagues to vote yes.

Mrs. Ward stated that she has supported EMSA from the beginning and is a supporter of school of choice as a matter of course. Mrs. Ward does not think students should be trapped in a school because of their zip code.

Ms. Kerr stated that she has spent the last few months looking at this proposal carefully. Ms. Kerr is not opposed to charter schools and she likes Expeditionary Learning but she has many concerns and feels that in this economic environment this is not a good proposal for U-46. Ms. Kerr stated that the Illinois School Code specifically says that any charter school proposal shall include evidence that the terms for the proposed charter are both economically sound for the charter school and the school district. Ms. Kerr does not believe that this proposal is economically sound for either. Ms. Kerr stated that the loss of \$2 to \$4 million per year for the District will have an impact particularly at a time when the state is in

a budget crisis. Ms. Kerr has heard EMSA state that the money follows the child but she has not seen any evidence that is what would happen. Ms. Kerr added that EMSA stated that the money they were requesting for the first year was less than what the District spent on buses. Ms. Kerr noted that the District could not afford to purchase buses this year because of the state budget crisis. Ms. Kerr also has concerns about the EMSA budget both about what the budget does not include and about what assumptions it makes. Ms. Kerr stated that there was talk about a \$500,000.00 line of credit to be repaid after the state grants are received. Ms. Kerr has not seen any evidence that this has occurred nor was it clear if there would be finance charges involved. Ms. Kerr stated that an email received last night stated that EMSA should be able to receive an interest free loan. Ms. Kerr stated that was the first she had heard of an interest free loan and she has not seen an updated budget that reflects that. Ms. Kerr stated that the same email stated that the EMSA budget could withstand the loss of \$500,000.00 in Title 1 money but she has not seen an updated budget that reflects that. Ms. Kerr wondered how EMSA could withstand the loss of \$500,000.00 when a PCTC of 91% was a deal breaker. Ms. Kerr also has concerns about the optimism in the budget the budget assumes 100% enrollment every year in every grade. She stated that the budget also assumes PCTC of at least \$9,400.00 per student and the budget assumes the repairs and renovations on the building will cost \$4 million but does not take into account things such as lead testing and sprinkler systems. Ms. Kerr understands that all budgets make assumptions but this budget reflects optimistic assumptions and shows a positive cash balance at the end of six years. Ms. Kerr believes that the same budget with more pessimistic assumptions might show a negative cash balance. Ms. Kerr suspects that EMSA's finances will be precarious and any unexpected expenses or loss of revenue might seriously impact EMSA's ability to function. Ms. Kerr does not believe this risk is worth taking and is not convinced of the promised academic achievements. Ms. Kerr has also not seen much public support; most of the emails she has received have been from people that have taken the time to explain why they are opposed to EMSA. Ms. Kerr stated that for this reason she is opposed to this contract.

Mr. Costello stated that this proposal is just like full-day kindergarten. Mr. Costello feels that to create value the District must take risks. Mr. Costello stated that he will be supporting this proposal enthusiastically. Mr. Costello feels that this proposal drives home innovation and accountability which he has not seen in the other 57 schools in the District. He thinks this is a great model for what the District can do in the future with an accountable and innovative resource like EMSA.

Mrs. O'Neal Ellis stated that on April 10, 2017 while she voted yes to conditional approval subject to negotiation she clearly stated at that time that she had a lot of concerns with the proposal. She went through those problems and was clear that she would not hesitate to vote no if her concerns were not mitigated. Mrs. O'Neal Ellis reviewed several of her concerns. Mrs. O'Neal Ellis stated that the EMSA financial plan does not appear to be sustainable. She added that the District's own

public school finance experts have also expressed deep concerns about it. Mrs. O'Neal Ellis also stated that she did not agree to the 92% PCTC but was in favor of 91% PCTC but EMSA clearly stated that 91% was not feasible. Mrs. O'Neal Ellis stated that while EMSA reduced the budgeted Title 1 funds she has not seen anything that would make her believe that EMSA could attract a 60% at risk student population and she cannot give credence to that reduced amount. Mrs. O'Neal Ellis feels that the EMSA finances are overly reliant on debt and fundraising. Mrs. O'Neal Ellis stated that she cannot ignore EMSA treasurer's comment that EMSA was hopeful that U-46 would hold EMSA harmless against proration. Mrs. O'Neal Ellis raised concerns with EMSA's special education plan and she is still concerned. She does not agree that the District should primarily fund all the risk in special education services without providing the services. Mrs. O'Neal is concerned with how EMSA will serve 60% at risk and EMSA has not countered this concern. Mrs. O'Neal Ellis stated that she supports innovation and takes exception to the thought that U-46 is not innovative. She believes there is a lot of innovation in this District. Mrs. O'Neal Ellis feels that the EMSA outreach plan did not include substantive information; nor were there metrics or milestones. Mrs. O'Neal Ellis stated that over the past four years she has not seen a coalition of parents coming forward clamoring for this school. Mrs. O'Neal Ellis stated that four years ago the charter commission agreed with U-46 that EMSA was not prepared to move forward. Mrs. O'Neal Ellis feels that this contract is not substantially different from what was proposed then. Mrs. O'Neal Ellis indicated she would be voting no.

Ms. Pearce stated that she is proud to be in the District and she thinks the idea of EMSA is a good idea but like other Board members she has some concerns. Ms. Pearce asked if the District could take some of the ideas that EMSA has and put them into the District's own schools, especially in the schools that are most at risk. Ms. Pearce asked how opening a charter school would positively affect the District when it is only serving a few hundred kids. She also asked if the District could take the money that would be used to open a new school and use it to improve the at-risk schools the District has now. Ms. Pearce thinks that U-46 is great and will go to great places if they use what they have instead of trying to open something new.

Ms. Noland responded that this will benefit every student the same way Dual Language and the Academies have. She stated that Dual Language and the Academies also started with very few students per year. Ms. Noland looks at this as something the District could grow and model. Ms. Noland also stated that if the District votes this down then EMSA could go to the Charter School Commission and they can ask for up to 125% of full funding and the District could be forced to pay at least 100% with no collaboration or protection for students.

Ms. Owens stated that she was very disappointed to have received the budget at 9:00 p.m. last night with a statement attached that said EMSA would be able to absorb a Title 1 funding loss but that was not reflected in the budget. Ms. Owens

has concerns that this proposal is not economically sound for the charter school or the District. Ms. Owens stated that one concern she has is that the District is being asked to fund a new building at \$4 million in a climate where, since 2010, the State of Illinois has not raised base funding. Ms. Owens stated that this tells her that the state does not want to see expansion without the natural increase in students. Ms. Owens stated that taxpayers are tapped out on property taxes and nothing has indicated that taxpayers are asking for this type of expansion. Ms. Owens stated that the taxpayer money would be going to fund an expansion of operations with no expectation that it will reduce redundancy in the District. Ms. Owens feels that makes the EMSA contract unviable. Ms. Owens stated that the \$4 million exactly equates out to the amount of money the District needs to spend on buses per year and this year the District has not been able to follow the District's capital plan to purchase buses which puts the District in a cycle of being constantly behind. Ms. Owens is also concerned with some of the assumptions that EMSA has with Title 1 and Title 3 funds. Ms. Owens stated that those funds should not be part of the operating budget, those are additional funds that should be used to help with the instruction of students. Ms. Owens has concerns that EMSA stated they can withstand the loss of Title 1 funds but could not withstand a PCTC of 91%. Ms. Owens has not seen evidence of what the cost would be to take out a line of credit. She has not seen evidence of how an interest free loan would impact the budget. Ms. Owens stated that there remains a ton of questions and it makes it very difficult for her to go forward.

Mrs. Ward reminded everyone that the U-46 Board of Education approved the resolution regarding the EMSA Charter School Initiative proposal on April 10, 2016 by a vote of six to one. Mrs. Ward stated that the U-46 Board President was the only no vote. Mrs. Ward has heard many oppose EMSA on basis of costs. For perspective, Mrs. Ward listed some District costs; full day kindergarten cost \$22 million the first year of implementation; the cost of not outsourcing busing was at least \$2 million; the approximate cost of bills approved at every Board meeting is \$6 million; secondary science curriculum and resources cost \$3.6 million; Canton Middle School boiler and HVAC \$2.6 million. Mrs. Ward listed EMSA's funding; amount of funding to follow the student attending EMSA the first year is \$2 million; the amount of funding to follow students for the school at full capacity is \$4.5 million. Mrs. Ward stated that those that object to EMSA on the basis of cost cheered when full day kindergarten was implemented and protested loudly when bus outsourcing was considered. Mrs. Ward stated that it seems that those who object to EMSA on the basis of cost are being disingenuous. Mrs. Ward stated that this is a way to give parents more control over where their children go to school. Mrs. Ward stated that this is not U-46's money; this is taxpayer money funding education and following the student. Mrs. Ward read a quote from the Illinois Tribune Editorial Board. Mrs. Ward stated that she believes this charter will be approved when appealed to the Illinois Charter School Commission unfortunately U-46 will lose the opportunity to have this wonderful school as a part of this District. Mrs. Ward indicated that she would be voting yes.

Mrs. Smith stated that she voted no on the original resolution because she was very disappointed with the presentation the Board was given. Mrs. Smith was on the Board years ago when EMSA first came to the Board and she was very disappointed that many of the same concerns from the past proposal still have not been addressed in the new proposal. Mrs. Smith stated that after listening to and participating in the conversations and seeing EMSA's answers to Board questions she still does not support this charter. Mrs. Smith stated that for her it is not only financial concerns but concerns with students and EMSA's preparedness and ability to serve students with the needed services within their budget.

Upon roll call yes votes: Mr. Costello, Ms. Noland and Mrs. Ward. No votes: Mrs. O'Neal Ellis, Ms. Kerr, Ms. Owens, and Mrs. Smith. The motion failed by a vote of 3-4

C. Resolution Regarding Elgin Math and Science Academy (EMSA) Charter School Initiative Proposal at District U-46 – Denying the Charter School Contract and Proposal

Motion by Mrs. O'Neal Ellis, second by Ms. Kerr to approve the Resolution Regarding the Elgin Math and Science Academy Charter School Initiative Proposal at District U-46 Denying the Charter School Proposal and Related Draft Contract Based on the reasons outlined in the Resolution.

Mr. Sanders read the Resolution.

WHEREAS, the State of Illinois enacted the Charter Schools Law [105 ILCS 5/27A-1 et seq.], effective April 10, 1996;

WHEREAS, the Elgin Math and Science Academy ('EMSA') Charter School Initiative submitted a Proposal for a Charter School to the Board of Education of District U-46 ("Proposal") on January 31, 2017;

WHEREAS, Section 27A-8(c) of the Charter Schools Law [105 ILCS 5/27A-8(c)] requires the Board of Education to convene a public meeting to obtain information to assist the Board of Education in its decision to grant or deny the Proposal within 45 days after receipt of the Proposal, and Section 27A-8(d) of the Charter Schools Law [105 ILCS 5/27A-8(d)] requires the Board of Education to publish notice of the meeting in a community newspaper not more than 10 days nor less than 5 days before the meeting and to post copies of the notice in school buildings; and

WHEREAS, the Board of Education convened a public meeting on March 13, 2017 to obtain information to assist the Board of Education in its decision to grant or deny the Proposal and published and posted appropriate notice of the meeting in compliance with Sections 27A- 8(c) and (d) of the Charter Schools Law [105 ILCS 5/27A-8(c) and (d)]; and

WHEREAS, Section 27A-8(e) of the Charter Schools Law [105 ILCS 5/27A-8(e)] requires the Board of Education to vote, in a public meeting, to grant or deny the Proposal within 30 days after the meeting to obtain information on the Proposal;

WHEREAS, on April 10, 2017, the Board of Education granted approval to the Charter School Proposal submitted by EMSA subject to negotiating a mutually agreed upon contract submitted to the Board of Education by June 30, 2017.

WHEREAS, conditions to be discussed during contract negotiations included, but were not limited to the following: a) Special Education Services and Budget; b) Economic Soundness; c) Charter School Facility; d) At Risk Populations; e) Systems Alignment and; f) Student Discipline.

WHEREAS, the Chief Executive Officer or designee and the Chief Legal Officer were thereby authorized and directed to perform such action and to prepare and execute such documents as necessary to effectuate under law the grant of the Final Proposal submitted by EMSA, including, but not limited to, the report required by Section 27A-8 of the Charter Schools Law [105 ILCS 5/27A-8], Section 650.30 of the State Board of Education's Rules on Charter Schools [23 Ill. Admin. Code § 650.30] and the mutually agreed upon contract.

WHEREAS, after at least 4 negotiation meetings and subsequent reports to the Board including on April 24, 2017, May 15, 2017, June 5, 2017, June 13, 2017 and June 19, 2017, where the Board provided numerous comments and suggestions to the administration's team, the Board of Education stands ready to make a determination regarding the Contract and Proposal.

WHEREAS, this Resolution hereby supersedes the Resolution Regarding the Elgin Math and Science Academy Charter School Initiative Proposal at District U-46 Granting Approval to the Charter School Proposal Based upon a Mutually Agreed upon Contract approved by the Board of Education on April 10, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of School District U-46, Kane, Cook, and DuPage Counties, Illinois:

Section 1. Recitals. The Board of Education hereby finds and determines that all recitals in the preambles to this Resolution are full, true, and correct, and does hereby incorporate them into this resolution by reference.

Section 2. Denial of the Charter School Contract and Proposal. The Board of Education has considered the Contract and Proposal and hereby denies them.

Section 3. Rationale for Denial. The Contract and Proposal do not conform to the standards and requirements of the Charter Schools Law for granting a charter school proposal. The Board, as a charter school authorizer, is required to deny

weak or inadequate charter applications. [105 ILCS 5/27A-7.10]. The specific reasons for the Board's denial, which are examined in detail below, include, but are not limited to, the following: (i) the Contract and/or Proposal do not comply with numerous statutory requirements for charter school proposals contained in Section 7 of the Charter Schools Law [105 ILCS 5/27A-7]; (ii) there is no evidence of economic soundness for both the Charter School and U-46- 105 ILCS 5/27A-7(a)(9); (iii) enrollment is not open to all students who reside within the attendance boundaries of U-46 because of the lack of viable transportation to students who are at-risk, homeless and/or live outside the Elgin area [105 ILCS 5/27A-4(d)]; and (iv) the Proposal is not designed to serve at risk students [105 ILCS 5/27A-8(a)(3)]. After considering the terms of the proposed contract and all supplemental documentation provided to the Board during negotiations, including EMSA's proposed budget, The Board of Education acknowledges concurrence with the Report of the School District U-46 Charter School Evaluation Committee Regarding Elgin Charter School Initiative Proposal, attached to this Resolution as Exhibit A.

A. The Proposed Contract and Proposal does not comply with the requirements of Section 27A-7 of the Charter Schools Law. The EMSA Proposal does not comply with the following specific requirements of Section 27A-7 of the Charter Schools Law and, therefore, must be denied.

1. There is no evidence of economic soundness for both the Charter School and U- 46- 105 ILCS 5/27A-7(a)(9). Under Section 27A-7(a) of the Charter Schools Law, a charter school proposal must contain evidence that the charter terms "are economically sound for both the charter school and the school district." [105 ILCS 5/27A-7(a)(9)]. The Proposal and the recent budget report provided by the EMSA team fail to meet this requirement. A major concern of EMSA's latest budget forecast submitted on June 18, 2017, continues to be inadequate cash flow, particularly in their planning year prior to opening school in August 2018. Although EMSA was awarded a \$950,000 federal grant, this grant works on a reimbursement basis; that is, expenditures are reimbursed to EMSA once they have been used for the charter school. As of June 19, 2017, funds available to EMSA amount to zero (0) dollars. On June 19, 2017, EMSA mentioned they plan on securing a \$500,000 line of credit to fund operations prior to opening school in August 2018. However, as of June 19, 2017, a line of credit has not been secured leaving the EMSA team with \$0 in cash flow to fund the Charter School which is scheduled to open in the fall of 2018. Furthermore, in the budget report submitted by EMSA on June 17, 2017, the allocation for food was zeroed-out indicating that there is no plan in their budget to fund any meals for students during the school day. This is of grave concern to the Board of Education considering that the targeted group of Charter School students are "at risk," many of which cannot afford to pay for their own meals during the school day. In addition, in year 6, (2023-2024) and going forward, approximately 10 percent of the total revenue will be needed to pay down the proposed Illinois Facilities Fund loan - this is a heavy debt load that leaves little room for contingencies. Furthermore, the plan

does not adequately address contingencies should critical aspects of the budget forecast change. Lastly, the financial situation in Illinois has left public school Districts across Illinois in a state of uncertainty, with District U-46 already facing the lack of tens of millions of dollars in owed state funding reimbursements. The proposed contract provides that EMSA would only receive their share of those funds from the District if they are received. This financial uncertainty, coupled with the proposed EMSA contract language, makes any financial arrangement with EMSA an economically unsound decision for both parties at this time.

2. The Proposal does not include a viable school site - 105 ILCS 27A-7(a)(3). Charter school proposals must include the address of the physical plant where the charter school will be located or, if there is no lease, the location of two sites which will potentially be available when the charter school opens. [105 ILCS 5/27A-7(a)(3)]. The Proposal provides three potential sites for the school, none of which are viable options. The first proposed site is the former Fox River Country Day School. EMSA, through its representatives has indicated that this location may not be secured in time to open a Charter School for the 2018-2019 school year. Furthermore, EMSA's inadequate transportation plan will make it very difficult for many students to attend this location due to the distances the students would need to travel; especially considering that EMSA seeks to maintain a 60% "at risk" student population, many of which cannot afford their own transportation. Further, beyond the building's location, there are many structural problems with the facility that would result in the need for extensive and costly repairs. For instance, there is currently not a viable location to serve breakfast or lunch as the building that previously served that function is in poor condition. Additionally, the gym and main building that could be used for classrooms are in need of extensive repairs in order to be functioning facilities. The site also does not have a functioning science laboratory or facility that could house such laboratories nor does it appear to be wired for technology. Thus, the site will not enable EMSA to have the science focus that it proposes. Additionally, EMSA has still not finalized the proposed \$1/year lease agreement with the City of Elgin for the Fox River Country Day School. This building has been proposed as the preferred site for the EMSA team since 2014 and the Elgin City Council signed a letter of intent on March 8, 2017; yet, to date, no lease has been secured for the facility, which is scheduled to open in the fall of 2018. The second proposed site, Wayne Elementary School, is an existing U-46 Elementary School that could house the EMSA program in its early stages. However, no one from the EMSA team has begun the process of reaching out to U-46 administration to negotiate the terms of a lease. Additionally, no information has been provided to the District on how the Wayne Elementary School would be conducive to implementing the curriculum/learning model outlined in EMSA's proposal. Additionally, the EMSA team acknowledges in their proposal that a major drawback to this location is that it is not conducive to attracting at-risk families from the Elgin area. The third proposed site, Rakow Center, has only been mentioned in passing as a proposed site in the EMSA proposal. No information has been provided regarding the building's availability, lease negotiations, or how

this building would work as a location to implement EMSA's proposed instructional model. No substantive discussions about using this facility have occurred during contract negotiations either. Accordingly, none of these sites are viable options

3. The goals, objectives, and pupil performance to be achieved by the charter school and the description of the charter school's educational program and curriculum are incomplete, are not in the best interests of students, and do not comply with the law-105 ILCS 5/27A-7(a)(5) and (a)(7). The Proposal provides incomplete information on the school's implementation of its chosen curriculum and also is not in the best interest of all U-46 students as it does not adequately address educating English language learners and special education students. The Board of Education's concerns with regard to the overall education program for EMSA are as follows:

a. Science Curriculum.

The proposal calls for a focus on science, yet the facilities selected do not have science laboratories and the design team does not intend to add a dedicated science laboratory until the third year of operation (FY 2021) when needed renovations are made to the other buildings located at the Fox River Country Day School site. In the event that the Charter School cannot operate at that location, this science curriculum implementation issue will be exacerbated.

b. Special Education

The proposal does not outline how EMSA will provide educational services to children with special needs but expects the District will cover 100 percent of the cost of services and salary expenditures to serve students with special needs at the charter. EL Education staff acknowledged during a meeting with the U-46 team that their curriculum does not support students with special needs. During contract negotiations, EMSA has conceded that it will have to partner with U-46 to provide special education and related services, but is relying on the use of U-46 staff to do so in a manner that reduces the allocation of Per Capita funding to the District by 1% for each student that attends EMSA. Specifically, for each student educated in any U-46 building, 9% gets allocated for special education services. However, under the proposed funding formula of 92% per capita tuition costs (PCTC) to EMSA, there is only an 8% special education allocation for each student. This is not a viable option for staff that is already in high demand for purposes of servicing the District's special needs population. Furthermore, Charter Schools are not exempt from federal and State special education laws. [Public Act 98-639; amending 105 ILCS 5/27A-5(g) and providing that charter schools must comply with all federal and State laws pertaining to special education]; [105 ILCS 5/27A-4(a)]. A Charter may not assume that the district will provide specific services. See In the Matter of the Proposal to Establish the Youthbuild Rockford Charter School, No. 99-1. Here, EMSA attempts to

avoid this significant responsibility by passing it on to U-46. This type of avoidance is not permitted by the Charter Schools Law. Thus, it is the opinion of the Board of Education that EMSA has failed to appropriately outline how it will adhere to its obligation to provide special education services.

c. English as a Second Language and English Learners

We are concerned that a Transitional Bilingual Education (TBE) program, with its focus on transitioning to an English-only classroom, will not provide English Learners with a Spanish speaking background the same opportunity and added advantage of developing bilingualism and biliteracy to which they are entitled to through the District's 80:20 Dual Language Program. The Transitional Bilingual Education approach contradicts the District's philosophy to develop bilingual and multicultural graduates.

d. Assessing Needs of Spanish Speaking Monolingual Students

Similarly, the proposal outlines a plan for assessment which closely mimics current practice in U-46, but does not address plans for providing District-wide assessments in Spanish. There is no mention of using classroom-based Spanish assessments, which seems misaligned given that many of the students will require Spanish instruction based on the charter's projected student population.

e. Social and Emotional Needs

The proposal does not include any description of a specific Social Emotional Learning curriculum. EMSA states that they will partner with U-46 to support the social and emotional needs of students with IEPs (p.52). The proposal states that during "crew" meetings character traits are taught and practiced each day as a part of students' social and emotional learning. (p.44). It also states that they will prioritize social and emotional learning, but not exactly how they will deliver it (p.23). There is also no documentation on how the EMSA will build the capacity of adults to use the Illinois Social-Emotional Learning (SEL) Competencies and assessments to gauge the SEL skills of students and use that data to develop additional curriculum and supports. During contract negotiations, EMSA remained adamant that their proposed level of social and emotional needs could be provided with a part time social worker. Based on the District's experience, this is highly unlikely even at the school's lowest maximum enrollment during the first year.

f. Homeless and At-Risk Students

While the Proposal mentions that EMSA will adhere to the requirements of the McKinney-Vento Assistance Act, Homeless students are not mentioned as part of the target demographics of the school on page 7 of their proposal. They are also not referenced in the special populations and at-risk students starting on page 51. Based on these omissions, it is not clear that the design team has a plan for students living in transitional living situations. Furthermore, and as

discussed herein, the specifics on how at-risk students will be recruited and transported to the Charter School are general and vague at best.

4. Student transportation needs will not be met- 105 ILCS 27A-7(a)(13). Under Section 27A-7(a)(13) of the Charter Schools Law, a charter school proposal must contain a description of how the charter school plans to meet the transportation needs of students, including a plan to address the transportation of low-income and at-risk students. [105 ILCS 5/27A-7(a)(13)]. The Proposal fails to address the transportation needs of all students residing in the District's attendance boundaries, including those that are low income and at-risk, as required. See In the Matter of the Proposal to Establish the Sin Fronteras Public Charter School, No. 98-10. The proposal notes that transportation services will only be provided to students from pick-up locations in Elgin, "to ensure access to low-income and minority students." The proposal does not adequately address the needs of at-risk, low-income or homeless students who may need transportation from any of the 10 other communities served by School District U-46, including Streamwood, Hanover Park, Bartlett, Schaumburg, Wayne, Carol Stream, South Elgin, Hoffman Estates, West Chicago, and unincorporated St. Charles. Throughout contract negotiations, specifics on the transportation plan were not provided to District administration.

B. Enrollment in the charter school is not open to any pupil who resides within the geographic boundaries of the area served by the local school board- 105 ILCS 5/27A-4(d). Enrollment in a charter school must be open to any pupil who resides within the geographic boundaries of the area served by the local school board. [105 ILCS 5/27A-4(d)]. As stated above, the transportation program does not adequately contemplate services to students in any of the other ten communities served by U-46, aside from Elgin. From a practical perspective, the lack of transportation offered by EMSA will make it virtually impossible for such students to attend a charter school that is located outside of U-46 boundaries. Throughout contract negotiations, the extent of options EMSA was considering for purposes of attracting "at risk" students from non-Elgin U-46 communities was the possibility of purchasing vans/busses. Other than an incomplete and unreasonable budget allocation, and a very general outreach plan, no other details to address this were provided. As a result, enrollment will not be open to all pupils because the vast majority of pupils will have no ability to get to and return from EMSA on a daily basis.

C. The Proposal is not designed to enroll and serve a substantial number of at-risk children- 105 ILCS 5/27A-8(a)(3). As stated above, the Proposal wholly fails to address the transportation needs of low-income and at-risk students who reside in any of the ten other communities served by U-46. Also, the Proposal fails to appropriately address the educational needs of English Learners and ESL students, with the District being put at a costly and significant disadvantage when trying to address the needs of special education students via the proposed contract. On or about June 17, 2017, the District received a copy of an outreach

plan on how to EMSA plans to conduct “outreach” to “at-risk” families. However, the plan shares more concepts and ideas than measurable and concrete metrics as to how this will be done. This is problematic because on multiple occasions since at least 2014, the Board of Education has identified students in grades 9 through 12 who have dropped out, who are at risk of dropping out, or who are chronically truant as a high-risk population within U-46. EMSA, however, will only serve students in grades K-7 for the next 5 years if approved. In the meantime, it will not be addressing and enrolling the group that this Board has repeatedly identified as being able to benefit most from the services of a charter school.

Section 4. The Board of Education’s officers and attorneys are hereby authorized and directed to perform such actions and to prepare and execute necessary documents to effectuate under law the denial of the Proposal, including, but not limited to, the report of denial required by Section 27A-8(f) of the Charter Schools Law [105 ILCS 5/27A-8(f)] and Section 650.30(c) of the State Board of Education’s Rules on Charter Schools [23 Ill. Admin. Code § 650.30(c)]. Section

Section 5. This Resolution shall be in full force and effect immediately upon its passage.

Ms. Noland stated that she feels that this proposal has been created by staff because the Board did not vote on this or create this. Ms. Noland stated that the Board directed administration to work with EMSA to develop a contract not to work on a proposal that was already done. Ms. Noland finds it disingenuous that the Board and administration did not go negotiate in good faith. She feels that administration has rewritten the proposal and rehashed all the same issues and negated the Board’s six to one vote approving the proposal and directing administration to negotiate the contract. Ms. Noland strongly objects to how this has been manipulated.

Mrs. Smith stated that EMSA cannot go to the Illinois Charter School Commission without the Board approving a resolution denying the charter.

Mrs. O’Neal Ellis disagreed with Ms. Noland. Mrs. O’Neal Ellis stated that administration followed the Board’s direction. Mrs. O’Neal Ellis stated that many of the things listed in the resolution were concerns that were not satisfactorily addressed. Mrs. O’Neal Ellis does not feel that this was disingenuous or that anyone was trying to manipulate anyone. Mrs. O’Neal Ellis feels that this process has been vetted openly and transparently.

Upon roll call, yes votes: Mrs. O’Neal Ellis, Ms. Kerr, Ms. Owens, and Mrs. Smith. No votes: Mr. Costello, Ms. Noland, and Mrs. Ward. The motion carried by a vote of 4-3.

3. Adjournment

Motion by Ms. Kerr, second by Mrs. O'Neal Ellis, to adjourn the Special Board Meeting of June 26, 2017, at 8:32 p.m. Upon roll call, yes votes: Mr. Costello, Mrs. O'Neal Ellis, Ms. Kerr, Ms. Noland, Ms. Owens, Mrs. Ward, and Mrs. Smith. No votes: 0. The motion carried by a vote of 7-0.

Approved this 11th day of September, 2017.



President



Secretary

**RESOLUTION REGARDING THE
ELGIN MATH AND SCIENCE ACADEMY CHARTER SCHOOL INITIATIVE
PROPOSAL AT DISTRICT U-46
GRANTING APPROVAL TO THE CHARTER SCHOOL PROPOSAL BASED UPON
THE MUTUALLY AGREED UPON CONTRACT
HEREBY ATTACHED AS “EXHIBIT A”**

WHEREAS, the State of Illinois enacted the Charter Schools Law [105 ILCS 5/27A-1, *et seq.*], effective April 10, 1996; and

WHEREAS, the Elgin Math and Science Academy (“EMSA”) Charter School Initiative submitted a Proposal for a Charter School (“the Proposal”) to the Board of Education of District U-46 on January 31, 2017; and

WHEREAS, Section 27A-8(c) of the Charter Schools Law [105 ILCS 5/27A-8(c)] requires the Board of Education to convene a public meeting to obtain information to assist the Board of Education in its decision to grant or deny the Proposal within 45 days after receipt of the Proposal, and Section 27A-8(d) of the Charter Schools Law [105 ILCS 5/27A-8(d)] requires the Board of Education to publish notice of the meeting in a community newspaper not more than 10 days nor less than 5 days before the meeting and to post copies of the notice in school buildings; and

WHEREAS, the Board of Education convened a public meeting on March 13, 2017 to obtain information to assist the Board of Education in its decision to grant or deny the Proposal and published and posted appropriate notice of the meeting in compliance with Sections 27A-8(c) and (d) of the Charter Schools Law [105 ILCS 5/27A-8(c) and (d)]; and

WHEREAS, Section 27A-8(e) of the Charter Schools Law [105 ILCS 5/27A-8(e)] requires the Board of Education to vote, in a public meeting, to grant or deny the Proposal within

30 days after the meeting to obtain information on the Proposal;

WHEREAS, on April 10, 2017, the Board of Education granted approval to the Charter School Proposal submitted by EMSA subject to negotiating a mutually agreed upon contract negotiated and submitted to the Board of Education by June 30, 2017; and

WHEREAS, after reviewing and considering the provisions and requirements of the Charter Schools Law, the Proposal, and the information provided at the public meeting referred to above, the Board of Education stands ready to make a determination regarding the Proposal;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of School District U-46, Kane, Cook, and DuPage Counties, Illinois:

Section 1. The Board of Education hereby finds and determines that all the recitals in the preambles to this Resolution are full, true, and correct and does hereby incorporate them into this Resolution by reference.

Section 2. The Board of Education grants approval to the Charter School Proposal submitted by EMSA based upon the mutually agreed upon contract negotiated and submitted to the Board of Education on June 26, 2017, herein attached as “Exhibit A.” The Board of Education hereby approves the Agreement in Exhibit A.

Section 3. This Resolution shall be in full force and effect immediately and forthwith upon its passage.

The Resolution was moved by Member _____ and seconded by Member _____ and, upon roll call, was adopted by a majority of the members of the Board of Education voting as follows:

ADOPTED this 26th day of June, 2017, by a roll call vote as follows:

YES: _____

NO: _____

ABSENT: _____

President, Board of Education

Attest:

Secretary, Board of Education

1806

PROPOSED CHARTER SCHOOL AGREEMENT

THIS CHARTER SCHOOL AGREEMENT ("Agreement"), effective July 1, 2018 (the "Effective Date"), is entered into by and between School District U-46 ("U-46" or the "District"), a body politic and corporate, and the Elgin Charter School Initiative, d/b/a Elgin Math and Science Academy Charter School (the "Charter School"), an Illinois not-for-profit corporation and a 501(c)(3) corporation (collectively, the "Parties").

RECITALS

WHEREAS, the State of Illinois enacted the Charter Schools Law as Public Act 89-450, effective April 10, 1996, as amended; and

WHEREAS, the Charter Schools Law was enacted for the following purposes:

- (1) To improve pupil learning by creating schools with high, rigorous standards for pupil performance;
- (2) To increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for at-risk pupils;
- (3) To encourage the use of innovative teaching methods;
- (4) To allow for the development of innovative forms of measuring pupil learning and achievement;
- (5) To create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;
- (6) To provide parents and pupils with expanded choices within the school system;
- (7) To encourage parental and community involvement with public schools;
- (8) To hold charter schools accountable for meeting rigorous school content standards and to provide those schools with the opportunity to improve

accountability; and

WHEREAS, the Charter Schools Law provides that, in evaluating any charter school proposal submitted to it, a local school board shall give preference to proposals that:

- (1) demonstrate a high level of local pupil, parental, community, business, and school personnel support;
- (2) set rigorous levels of pupil achievement and demonstrate feasible plans for attaining those levels of achievement; and
- (3) are designed to enroll and serve a substantial proportion of at-risk children, provided that nothing in the Charter Schools Law shall be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk children or to in any manner restrict, limit, or discourage the establishment of charter schools that enroll and serve other pupil populations under a nonexclusive, nondiscriminatory admissions policy; and

WHEREAS, on January 31, 2017, the District received a complete charter school application from the Charter School (“Charter School Proposal” or “Proposal”), which is incorporated by reference as attached as Exhibit A hereto;

WHEREAS, the Charter School desires to enter into a Charter Agreement with the District for a five-year term commencing July 1, 2018, and ending June 30, 2023;

WHEREAS, the Parties have agreed to the specific terms set forth in this Charter School Agreement (the “Agreement”);

WHEREAS, the Parties desire that the Charter School be authorized to operate and conduct its affairs in accordance with the terms of this Agreement and the Charter Schools Law;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the parties

hereby agree as follows:

1. Recitals Incorporated by Reference.

The recitals to this Agreement are incorporated herein by reference and made a part hereof.

2. Grant of Charter.

The Charter School is hereby authorized, and granted a charter in accordance with the Charter Schools Law and the terms and conditions of this Agreement, to operate a charter school as described herein.

3. Term of Agreement.

This Agreement shall commence on the Effective Date provided above, and shall expire on June 30, 2023, at midnight C.T., unless terminated or extended pursuant to the terms hereof. During the term of this agreement, if either party seeks to alter any provision herein, it must submit any proposed revisions to the other party for review and approval.

4. Educational Program.

The Charter School shall operate an educational program and program of instruction K through 8 serving the educational needs of the students enrolled therein.

a. Mission Statement. The Charter School shall operate pursuant to its commitments outlined in the Charter School Proposal, and such commitments are hereby accepted to the extent that they are consistent with the declared purposes of the General Assembly as stated in the Charter Schools Law.

b. Age, Grade Range. During the term of this agreement, the Charter School shall provide instruction for up to 420 pupils in grades K-7, as provided in the Charter School Proposal and as set forth below. Should the Charter School wish to expand the number of students in any year of operation beyond the yearly enrollment figures listed below, the District

must approve such expansion.

School Year	Grades	Total Students
2018-19	K-3	200-210
2019-20	K-4	250-265
2020-21	K-5	300-315
2021-22	K-6	350-370
2022-23	K-7	400-420

c. Recruitment and Enrollment. For the first year of this Agreement, the Charter School shall provide the District with a draft Student Recruitment plan by June 14, 2017 and a final Student Recruitment Plan by October 1, 2017 providing details on how the Charter School plans to attract at-risk students and work to maintain at least a 60% at-risk student body. For each subsequent year of this Agreement, EMSA shall provide a student recruitment plan with specific details on how the Charter School plans to attract at-risk students and work to maintain at least a 60% at-risk student body. EMSA shall also provide an annual status report on the percentage of at risk students the Charter School is serving in its Accountability Plan. In the event that the Charter School's at risk population falls below 50% in any given year, the Charter School will amend the Student Recruitment plan to address the deficiency.

Enrollment in the Charter School shall be open to any pupil who resides within the boundaries of the District. Each year, if on the date of the Charter School's application deadline (which may be no earlier than February 1), there are more eligible applicants for enrollment in the Charter School than there are spaces available, the students who shall enroll in the Charter School will be selected by lottery which shall be open to all applicants and the public and be conducted pursuant to the requirements in 105 ILCS 5/27A-4. The District shall be notified of the lottery in advance and may attend. The Charter School shall videotape the lottery, maintain the videotaped record with time/date stamp and transmit a copy of the videotape and all records relating to the lottery to the District on or before July 1 of each year. The Charter School shall not request information in the application process about a student's academic aptitude, special education needs or English language proficiency. This does not preclude the Charter School from obtaining the student information referenced in this Paragraph after the student has been selected

for enrollment.

Priority for enrollment shall be given to siblings of pupils enrolled in the Charter School. Eligible siblings of currently enrolled Charter School students will be provided preference in the enrollment lottery. Pupils who were enrolled in the Charter School the previous year shall remain enrolled each successive year unless expelled for cause or by voluntary transfer. Using the lottery process required herein, the Charter School shall establish a waiting list of students who shall be offered the opportunity to enroll at the Charter School if additional seats become available. The Charter School shall not permit dual enrollment of any student at both the Charter School and another public school or nonpublic school.

On or before January 15, 2018, the Charter School shall submit to the District a projected enrollment report, which shall contain the names, addresses, and current school of all students who, as of that date, have indicated they will be enrolling in the Charter School.

d. Student Transfers. Any student transfer out of the Charter School shall be documented by a transfer form signed by the student's parent/guardian, which affirmatively states that the student's transfer is voluntary. If the parents /legal guardians are not fluent in English the transfer form shall be issued to them in their language.

e. Goals, Objectives, Pupil Performance Standards. The Charter School shall pursue and make reasonable progress toward the achievement of the goals, objectives and pupil performance standards described in Paragraph 8 hereof, provided that such goals, objectives and pupil performance standards shall at all times remain in compliance with Section 2-3.64 of the Illinois School Code, 105 ILCS 5/2-3.64.

f. Evaluation of Pupils. The Charter School's plan for evaluating pupil performance, the types of assessments to be used, the timeline for achievement of performance standards, and the procedure for taking corrective action in the event that pupil performance at the Charter School falls below those standards, shall be as described in Paragraph 8 hereof.

g. Curriculum. The curriculum established by the Charter School shall be consistent with the Charter School Proposal, and as otherwise modified or supplemented herein. The Charter School shall notify the District of any material change in its curriculum subsequent to the date of this Agreement. For purposes of this paragraph, "material" shall mean "relevant and consequential".

h. School Year; School Days; Hours of Operation. Instruction shall commence in the 2018-2019 school year and subsequent school years on dates established by the Charter School, provided that the beginning date of instruction for the first academic year shall be no earlier than August 1 and no later than September 15 of the calendar year. The days and hours of operation of the Charter School shall be as set forth in the Charter School Proposal or as otherwise established by the Charter School. In the event that the Charter School and the District's calendars do not align and the Charter School is unable to find staff to fill the positions the District shall provide, to the extent practicable, Special Education related services via third party vendors who have contracted with the District to provide those services. Those services shall be paid for in the manner prescribed in paragraphs 6 and 9 of this Agreement.

i. Student Discipline. For the first year of this Agreement, the Charter School will adopt the District's Student Code of Conduct. Thereafter, and for the duration of this Agreement, the Charter School may adopt its own Student Code of Conduct, subject to the requirements that it incorporates a process substantially similar to the District's for student suspensions, expulsions and alternative placements and all procedural safeguards as required by State and Federal Law, and which includes interventions designed to minimize the most severe disciplinary consequences. The Charter School will provide a copy of its Student Code of Conduct by no later than April 1 preceding each school year or will otherwise default to using the District's Student Code of Conduct for that school year. The District shall review such Student Code of Discipline to ensure its compliance with the terms set forth in this paragraph.

j. Governance and Operation. The operation of the governing board of the Charter School shall be as set forth in the Charter School Proposal, which references and incorporates the Bylaws of the Charter School governing body. In the event that the Charter School intends to make a material modification to its Bylaws, the Charter School shall seek the approval of the District in writing which approval the District shall not unreasonably deny or delay. For purposes of this paragraph, "material" shall mean "relevant and consequential".

k. Conflicts of Interest. The Charter School shall certify that neither it, nor any of its Board members, directors, officers, employees, agents or family members of any such persons, have a private interest, direct or indirect, or shall acquire any such interest directly or indirectly, which does or may conflict in any manner with the Charter School's performance and obligations under this Agreement. The Charter School must also establish safeguards to prohibit such a conflict of interest from occurring during the terms of this Agreement.

l. Conflicts of Interest and Ethics Policies. The Charter School shall adopt and

maintain Conflicts of Interest and Ethics Policies for its Board members, directors, officers and employees to ensure that all such persons act in the highest standards of ethical conduct in order to directly benefit and serve the students of the Charter School. By January 1, 2018 and thereafter no later than July 1 of each subsequent year, the Charter School shall submit to the District copies of the stated policies in this paragraph.

m. Pupil Transportation. Transportation required by the IEP or 504 Plan for students with special needs shall be provided in the manner discussed in paragraph 9(c)(iii)). EMSA shall provide the District with a Transportation Plan for its regular education low-income students on or before July 1 of each school year.

l. Bilingual Education. The Charter School shall provide bilingual education services in a manner consistent with the description in the Charter School Proposal, provided that such services are in compliance with relevant federal and state laws and regulations. The Charter School (i) shall identify students who require bilingual education by administering the Home Language Survey Form; (ii) shall assess the English language proficiency of all students identified as coming from a non-English speaking background; and (iii) shall provide a Transitional Bilingual Education program or Transitional Program of Instruction for such students. Notwithstanding anything to the contrary in this Section, the Charter School shall have no obligation to provide bilingual education to a greater extent than required under the relevant federal, state laws and regulations. The District agrees to provide the Charter School with per pupil reimbursement for the provision of services to eligible English Language Learner students pursuant to any federal or state grant or aid program to the maximum extent allowable by law. Students in the Charter School will not be denied the right to participate in Bilingual Education due to Special Education programming needs. Similarly, students in the Bilingual Education program shall not be denied the right to participate in Special Education programming.

m. School Calendar. No later than April 1 prior to the commencement of each academic year during which this Agreement is in effect, the Charter School shall submit to the District its school calendar for such academic year and the following summer session which shall list all student attendance days for each grade level.

5. Additional Covenants and Warranties of Charter School.

The Charter School covenants and warrants as follows:

a. Compliance with Laws and Regulations. The Charter School shall operate at all times in accordance with the Charter Schools Law and all other applicable federal and state laws and regulations from which the Charter School is not otherwise exempt and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status or need for special educational services. The Charter School shall comply with the state laws listed in 105 ILCS 5/27A-5(g). The Charter School shall also comply with the following, to the extent applicable to charter schools in Illinois:

The Every Student Succeeds Act (PL 114-95, signed December 10, 2015);

The Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.);

McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431, et seq.).

The Family Educational Rights and Privacy Act (20 U.S.C. § 1232g);

Section 2-3.64 of the Illinois School Code (“the School Code”) (105 ILCS 5/2-3.64), regarding performance goals, standards and assessments;

Section 10-21.9 of the School Code (105 ILCS 5/10-21.9) regarding criminal history records checks and checks of the statewide sex offender database and statewide murderer and violent offender against youth database of applicants for employment;

Sections 10-20.14, 10-22.6, and 24-24 of the School Code regarding discipline of students;

Section 10-17a of the School Code regarding school report cards;

Section 27-23.7 of the School Code regarding bullying prevention (105 ILCS 5/27-23.7)

Section 2-3.162 of the School Code regarding student discipline reporting; and (105 ILCS 5/2-3.162)

Section 22-80 of the School Code regarding concussions (105 ILCS 5/22-80);

the P-20 Longitudinal Education Data System Act;

The Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101, et seq.);

Section 108.75 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/108.75, et seq.) regarding indemnification of officers, directors, employees and agents;

The Abused and Neglected Child Reporting Act (325 ILCS 5/1 et seq.)

The Illinois School Student Records Act (105 ILCS 1011, et seq.);

The Freedom of Information Act (5 ILCS 140/1. Et seq.);

The Open Meetings Act (5 ILCS 120/1.01, et seq.);

All applicable health and safety regulations of the State of Illinois, including without limitation those laws specifically identified by the State Superintendent as being applicable to charter schools.

The Illinois Pension Code (40 ILCS 5/1-101 et seq.). The parties hereby acknowledge and agree that the Charter School shall comply with the provisions of the Illinois Pension Code which expressly specify applicability to, or require compliance by, charter schools and it is not the intent of the parties that the Charter School shall comply with any other portions of the Illinois Pension Code.

The Illinois Educational Labor Relations Act 115 ILCS 5/1 et seq.

Any other applicable federal, state laws or regulations not listed in this section.

b. Compliance with Agreement. The Charter School shall operate at all times in accordance with the terms of this Agreement, and all Exhibits attached hereto. Additionally, the Charter School's Bylaws may not be inconsistent with the terms of this Agreement, and all Exhibits attached hereto.

c. Governance and Operation. The operation of the governing board of the Charter School shall be for the duration of this Agreement as follows.

- i. The governing board of the Charter School shall consist of the number of directors required by applicable law and the bylaws of the Charter School.
- ii. Membership and the composition of the governing board shall be subject to and in accordance with the bylaws of the charter school.
- iii. Directors of the governing board of the Charter School shall have duties and responsibilities consistent with the Illinois General Not-For-Profit Corporation Act of 1986, as amended.
- iv. The governing Board shall hold meetings at least 6 times a year.

d. Maintenance of Corporate Status and Good Standing. The Charter School shall at all times maintain itself as an Illinois general not-for-profit corporation capable of exercising the functions of the Charter School under the laws of the State of Illinois, shall remain in good standing under the laws of the State of Illinois, and shall timely make all required filings with the office of the Illinois Secretary of State. Upon request, the Charter School shall provide the District with certified copies of its Articles of Incorporation, a Certificate of Incorporation evidencing its incorporation as a nonprofit corporation, its Bylaws, and all amendments or modifications thereto. The Charter School is also recognized as an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and upon request the Charter School shall provide the District with copies of all filings relating to the Charter School maintaining 501(c)(3) exempt status.

e. Personnel. The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be addressed with affected employees and their recognized representatives, if any, shall be as set forth in the Charter School Proposal and this Agreement, provided that the Charter School shall comply with all federal and state employment laws and regulations made applicable to charter schools under the Charter Schools Law.

No later than September 15 of each year during the Term of this Agreement, the Charter School shall provide the District with a current list of all of its employees, and shall cause each of its subcontractors to provide the District with a current list of all of such subcontractors' employees providing services at the Charter School. Such lists shall contain the names and job positions of all applicable employees. Such list shall also indicate: (i) for each

employee, the date of initiation of the criminal background investigation required under Section 10-21.9 of the School Code and Section 5(e) of this Agreement, and the results of such background check; and (2) for each individual employed in an instructional position, evidence of licensure as set forth in Article 21B of the School Code, 105 ILCS 5/21B-1 et seq., or evidence that such individual is otherwise qualified to teach, as set forth in Section 27A-10 of the Charter Schools Law. For any person hired in an instructional position after September 15 of any school year, the Charter School shall provide the District with such evidence of licensure or other qualification no later than thirty (30) school days after the individual's initial date of employment.

f. Criminal Background Checks. The Charter School shall not knowingly employ and shall not permit its subcontractors to knowingly employ at the Charter School any individual (i) for whom a fingerprint-based criminal background investigation and statewide sex offender database check has not been initiated, or (ii) who has been convicted for committing or attempting to commit one of the offenses enumerated in Section 21B-80 of the Illinois School Code, 105 ILCS 5/21B-80.

g. Instructional Providers. The Charter School shall employ or otherwise utilize in instructional positions and shall require that its subcontractors employ or otherwise utilize in instructional positions only those individuals who are licensed under Article 21B of the Illinois School Code, 105 ILCS 5/21B-1, *et seq.*, or who are otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law. For purposes of this Section, "instructional positions" means all those positions involving duties and responsibilities which, if otherwise undertaken in schools operated by the District, would require teacher licensure.

h. Building. The Charter School will secure a suitable facility for students, obtain all applicable occupancy permits and health and safety approvals, execute a lease or purchase agreement or other agreement entitling the Charter School to the legal occupancy or ownership of the facility and provide copies of all material documentation to the District once the building is secured. The facility to be secured is located at 1600 Dundee Ave, Elgin, IL, 60120. The parties agree that the Charter School must have Regional Office of Education permits for Construction and Rehabilitation of the facility by no later than December 31, 2017, and an occupancy permit by no later than July 15, 2018 as key conditions to this Agreement.

- a. The Charter School shall take such actions as are necessary to ensure that all leases, occupancy permits and health and safety approvals for all established school buildings remain valid and in force, and shall certify to

the District no earlier than June 1 and no later than July 1 of each subsequent year during the term of this Agreement that such leases, certificates and approvals remain in force. Where the District is required to participate in and/or submit such reports and approvals, the District shall reasonably and timely cooperate and execute such required documents.

b. Change in Location. The Charter School may request to change the physical location of a facility identified to serve as an Attendance Center or an existing Attendance Center, provided that the Charter School fulfills certain conditions of the Board (e.g. the newly identified Attendance Center is habitable as a school building and provides an environment consistent with the vision of the Charter School) and provides such information as requested by the Board with respect to such new physical location. The Charter School must notify the Board of the proposed change in location not less than 120 days prior to the proposed effective date of relocation. The District's administration shall notify the Charter School whether it will recommend the change in location to the Board.

Such a change in the physical location of a facility identified to serve as an Attendance Center or an existing Attendance Center by the Charter School shall be deemed a material modification of this Agreement which requires the prior approval of the Board to be in full force and effect.

c. Temporary Change in Location for Emergency. In the event that the change in location of an Attendance Center is due to an emergency where the Attendance Center has been made untenable by fire, flooding, tornado, earthquake or other casualty or where its occupancy permit has been revoked due to a reason outside of the Charter School's reasonable control, the 120 days prior notice to the Board from the Charter school is not required. In such an emergency situation, the Charter School shall provide immediate written notice to the Board after the Charter School becomes aware of the need to change the location of its Attendance Center and the Charter School shall proceed as follows:

i. The Charter School shall promptly repair any damage to the Attendance Center caused by the emergency and to remedy any accessibility and building code compliance issues at its current temporary location until such time as the damaged Attendance Center is returned to

the condition in which it was found prior to the emergency. While in its temporary location, the Charter School must submit written status reports as often as requested by the District's administration regarding the renovation work performed on the damaged Attendance Center; or

ii. If the Attendance Center has been condemned or has such extensive damage that the Charter School does not want to expend any funds to make the necessary repairs to the Attendance Center, the Charter School shall provide the District's administration written notice of the change in its permanent location and the reasons for abandoning its original Attendance Center. The Charter School shall fulfill certain conditions of the Board and provide the information set forth in this paragraph with respect to such new physical location. The District's administration shall notify the Charter School whether it will recommend such change in location to the Board.

- i. Data System. The Charter School agrees to integrate with existing U-46 information systems, including but not limited to the District's student information system as its source of student data (attendance, grades, demographics, etc.) so that the District can provide all necessary reports to the Illinois State Board of Education and for Special Education and related services. The Charter School shall not be required to integrate with U-46 integration systems if such integration is unduly financially burdensome and the District agrees that as changes to the software, hardware, or other equipment necessary to operate the data system are made, the Charter School may purchase this software, hardware or other equipment at the same rate as the District's other schools.

6. Financial Operations of Charter School.

a. Financial Management. The Charter School shall operate in accordance with Generally Accepted Accounting Principles or other generally accepted standards of fiscal management, provided that the Charter School's accounting methods shall comply in all instances with any applicable governmental accounting requirements. The Charter School shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. In accordance with Section 6(k) of the Agreement, an audit of the Charter School's budget shall be conducted annually by an outside, independent auditor retained by the Charter School's Board of Directors.

b. Budget and Cash Flow. The Charter School shall prepare and provide to the District a copy of its annual budget and cash flow projections for each year by no later than July 1 of such fiscal year. The fiscal year for the Charter School shall begin on July 1 of each year and end on June 30 of the subsequent year.

c. Distribution of Funds. The District shall distribute to the Charter School the Charter School funds, as determined in Section 6(d) in four quarterly installments, payable on or before July 15, October 15, January 15, and April 15 of each fiscal year during which this Agreement is in effect, or the first business day following each such day if any such day falls on a Saturday, a Sunday, or a holiday; notwithstanding anything to the contrary in this Section 6 of the Agreement, the District will distribute the first quarterly payment of the first school year to the Charter School no later than July 1, 2018. All funds distributed to the Charter School from the District shall be used for educational purposes only. The use of such funds for any other purpose is strictly prohibited.

d. Funding Procedure. Beginning in the 2018-2019 school year and for each subsequent year of the Term of this Agreement subject to the District's receipt of its GSA or state equivalent from the Illinois State Board of Education, the District shall calculate each quarter the per capita student tuition payment for each pupil enrolled at the Charter School at the rate of 92 percent of the District's then per capita student tuition rate. For purposes of this Section, "the per capita student tuition" rate refers to the rate on the most recent previous year's Annual Financial Report for School District U-46, as calculated annually by the Illinois State Board of Education. Notwithstanding GSA disbursement, or state equivalent, considerations, the Charter School shall receive its share of local funding in a manner consistent with the schedule below contingent to the District's receipt of those funds.

i. First Installment. The District's first quarterly payment shall be based on a pre-enrollment report, which shall be provided to the District by no later than June 15, 2018 which pre-enrollment report shall contain the names and addresses of all students enrolled at the time in the Charter School, as verified by admission records, multiplied by one quarter of the District's per capita tuition amount. The first quarterly payment shall be made by July 15 each year of the Charter Term.

ii. Second Installment. The District's second quarterly payment shall be calculated such that the aggregate amount of the first and second quarterly payments is equal to the number of students enrolled at the Charter School on the twentieth day of the first semester of the charter school or district (whichever date is later), as verified by attendance records, multiplied by one-half the District's per capita tuition amount. The

second quarterly payment shall be made by October 15 each year.

iii. Third Installment. The District's third quarterly payment shall be based on the number of students enrolled at the Charter School on December 15 or the first school attendance day thereafter if the 15th falls on a Saturday, Sunday or holiday, as verified by attendance records, multiplied by one quarter of the District's per capita tuition amount. The third quarterly payment shall be made by January 15 each year.

iv. Fourth Installment. The District's fourth quarterly payment shall be calculated such that the aggregate amount of the third and fourth installments is equal to the number of students enrolled at the Charter School on the tenth day of the second semester, as verified by attendance records, multiplied by one-half the District's per capita tuition amount. The fourth quarterly payment shall be made by April 15 each year.

v. Refunds Upon Student Transfer. If a student transfers out of the Charter School, or the Charter School dismisses a pupil from the school after receiving a quarterly payment, the Charter School must return to the District, on a quarterly basis, the prorated portion of public funding provided for the education of that pupil for the time the student is not enrolled at the Charter School. Likewise, if a pupil transfers to the Charter School between quarterly payments, the District shall provide, on a quarterly basis, a prorated portion of the public funding to the Charter School to provide for the education of that pupil.

e. School Based Allocations for Federal or State Categorical Aid Funds. The Charter School shall be entitled to a proportionate share of federal and state categorical aid funds, including but not limited to funds allocated for students with special needs, Title I, II, and III funds, and per pupil allocations for English Language Learners. The Charter School shall furnish the District with eligibility data regarding federal and/or state categorical aid funding. The Charter School shall have the option to participate in District programs funded through federal and/or state categorical aid programs, or, to the extent allowed under the law, will follow the "reimbursement" process as required by the federal and state rules on all grants. In the event the State of Illinois requires a different reimbursement process for any particular state categorical funds, the Charter School shall be required to follow that process and the District shall reimburse the Charter School in accordance with the statute and upon receipt of funds by the State Office of the Comptroller. Upon receipt of an expenditure report for federal funds from the Charter School, the District shall timely report such expenditures to the State

Board for reimbursement. The Charter School may submit expenditure reports to the District for reimbursement under the federal grant programs as frequently as desired, but in no event more frequently than once per month, or less frequently than quarterly. Payment to the Charter School for funds under this paragraph shall follow the schedule provided for in Section 6(d). Such federal and state funding amounts shall be in addition to the per-pupil funding amounts provided under Section 6(d) hereof and shall be sufficient to comply with all provisions of the Charter Schools Law. In all instances, payment of owed Allocations of Federal or State Categorical Aid Funds to the Charter School are contingent on those funds being received by the District.

The Charter School shall return to the District any unspent federal or state categorical funding from the previous year, to the extent required by applicable regulations and/or law.

f. Refund of Unspent Funds. In the event that the charter issued to the Charter School is revoked or is not renewed and the Charter School discontinues as a charter school lawfully authorized to operate in Illinois, the Charter School shall refund to the District any and all unspent funds in accordance with Section 27A-11(g) of the Charter Schools Law.

g. Tuition and Fees. The Charter School shall not charge tuition to any student, unless such student would otherwise be liable for tuition costs under the Illinois School Code. The Charter School may charge reasonable fees, to the extent permitted by law, for textbooks, instructional materials, summer school programs, after school programs, and student activities. No student eligible for a fee waiver under Section 10-20.13 of the Illinois School Code, 105 ILCS 5/10-20.13, shall be excluded from participation in the activities and programs of the Charter School because of an inability to pay a fee.

h. Outside Funding. The Charter School may accept gifts, donations or grants pursuant to Section 27A-11(d) of the Charter Schools Law, provided that no such gifts, grants or donations may be accepted if contrary to applicable law or to the terms of this Agreement. In the event that the Charter School solicits funding from sources other than those set forth in this Paragraph 6, it shall comply with all applicable state and federal laws regarding the reporting of charitable solicitations.

i. Management and Financial Controls. At all times, the Charter School shall maintain appropriate governance, financial controls, and managerial procedures which procedures and controls shall include, but not be limited to: (i) generally accepted accounting procedures; (ii) a checking account; (iii) adequate payroll procedures; (iv) bylaws; (v) an

organization chart; and (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.

k. Annual Audits. The Charter School shall cause a Financial Statement Audit and Financial and Administrative Procedures Controls Review (collectively, the "Financial Audits") to be performed annually at its expense by an outside independent auditor retained by the Charter School and reasonably acceptable to the District. The Financial Audits shall include, without limitation:

i. An opinion on the consolidated statement of financial position (and Supplementary Schedule of Expenditures of Federal Awards, if applicable);

ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Accounting Standards; and

iii. A report on compliance with requirements of applicable laws and regulations, including the audit requirements contained in the Accountability Plan.

Annually, by December 1, the Charter School shall submit to both the District and to the State Board of Education a copy of the Financial Audits, as well as the Form 990 which the Charter School filed that calendar year with the federal Internal Revenue Service, as required by Section 27A-5(f) of the Charter Schools Law.

l. Withholding of Funds. In the event that the District deems that there has been any material violation of this Agreement, the District may withhold any and all payments of funds to the Charter School; provided that prior to taking any action to withhold funds, the District shall provide both the Charter School and the State Superintendent with written notice enumerating the specific failure(s) and the Charter School shall have at least 45 calendar days to cure such failure(s). Upon the Charter School's remediation of such failure(s), the District shall immediately release any and all payments of funds due the Charter School. In the event that a dispute arises with respect to the withholding of funds that cannot be resolved following the procedures set forth in this Section, the parties may apply the procedures set forth in Ill. Admin. Code Section 650.65.

m. In no event shall the District be liable to the Charter School or any third party for any indirect, special, incidental, consequential or exemplary damages, whether foreseeable or not, that are in any way related to the reasonable delay by the District in disbursing installment payments to the Charter School under this Agreement or any subsequent claim by any third party.

n. Attendance. The Charter School shall maintain accurate enrollment data and daily records of student attendance sufficient to file claims under 105 ILCS 5/18-8.05 and shall provide enrollment and attendance data to the District as requested, but in no case more frequently than on a monthly basis. Such enrollment and attendance data shall be maintained and updated at least monthly by the Charter School. The District shall provide the Charter School with the necessary access to its Student Information System (SIS), software and training to allow the Charter School personnel to use the District's SIS for tracking and reporting of enrollment and attendance data.

7. Insurance.

The Charter School shall, at its own expense, purchase and maintain insurance covering all of its operations. Such insurance shall include the types of insurance set forth in Exhibit B, attached hereto, subject to the conditions and in no less than the respective limits set forth therein. All insurers shall be licensed by the State of Illinois and be rated B+ or better by A.M., Best or a comparable rating service. No later than thirty (30) days following the Effective Date of this Agreement by the District, and each July 1 thereafter, the Charter School shall provide the District with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts as set forth above and in Exhibit B. All such insurance policies shall contain a provision requiring notice to the District, at least 30 days in advance, of any material change, nonrenewal or termination, sent to the District address in Section 21.

8. Academic Accountability and Evaluations.

a. Accountability Plan. The Charter School shall be held accountable by the District in accordance with the student performance goals outlined in the Charter School Proposal. By no later than November 1, 2018, the Parties shall by Agreement adopt a comprehensive Accountability Plan as described in Exhibit C attached hereto. Such Accountability Plan shall guide the District in its evaluation of the Charter School's performance across enumerated

performance and compliance standards on a yearly basis. At the completion of the Term of this Agreement, the Accountability Plan will guide the District in its determination of whether to renew the charter of the Charter School. Due to potentially sweeping changes regarding testing requirements and other accountability standards that may occur, the parties agree that the student performance goals outlined in the Accountability Plan shall be subject to re-negotiation annually with any re-negotiated student performance goals effective July 1 of each year of the Agreement upon written notice from either Party no later than April 1 of each year. The parties agree to work diligently and in good faith to re-negotiate these student performance goals so as to comply with any and all required changes regarding accountability standards which are applicable to charter schools. If the Parties cannot agree on new student performance goals before July 1, the Charter School shall continue to be held accountable to the existing performance goals.

b. Standardized Tests. The Charter School shall administer such standardized tests of academic proficiency as are provided for in the Charter School Proposal and in the State Board's policies and procedures, and shall participate in State assessments required by Section 2-3.64 of the Illinois School Code. At such time as the parties execute an Accountability Plan as set forth in this Section, such Plan will govern the Charter School's administration of standardized tests. The Charter School shall also administer Alternative tests, such as Alternate Access and Dynamic Learning Maps (DLM), as required per the student's IEP. The Charter School shall also ensure all relevant staff who administer Standardized and Alternative Assessments are properly trained.

c. Site Visits. In addition to the above procedures, the Charter School shall grant reasonable access to, and cooperate with the District, its officers, employees and other agents, including allowing site visits by the District, its officers, employees and other agents, for purpose of allowing the District to fully evaluate the Charter School's compliance with this Agreement and with the Charter Schools Law. The District may request that the Charter School make available for inspection any and all records kept and maintained in accordance with this Agreement, the Accountability Plan and applicable federal and state laws and regulations. Except in emergencies, the District shall provide the Charter School with at least 24 hours prior notice of such site visits, including a list of individuals with job titles who shall be participating in such site visits.

9. Specialized Services.

a. Provision of Services. The parties shall provide services and accommodations to

students with disabilities as set forth herein and in accordance and compliance with the Individuals with Disabilities Education Act (20 U.S.C. §1400, *et seq.*), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504), Article 14 of the School Code, and any regulations promulgated thereunder, and subject to the following additional conditions:

i. The District will choose and retain the lead counsel in any due process hearing or other complaint filed against the District concerning a student enrolled in the Charter School with a disability. The Charter School shall cooperate with the District and legal counsel chosen by the District with regard to due process hearings or other complaints filed against the District concerning a student enrolled in the Charter School, including providing documentation and appropriate staff for testimony, without additional cost to the District. In the event that an attorney or a parent advocate is involved in a Specialized Services meeting concerning a Charter School Student, the Charter School shall immediately notify the Director of Specialized Student Services or designee upon learning of such representation;

ii. It is the goal of the District and the Charter school that students requiring special education services who are enrolled at the Charter School will have access to the same full continuum of special education services required by law and available to all students with disabilities special education students enrolled in the District as required by law;

iii. The Charter School shall designate an individual who shall assume case management responsibilities for disabled students at the Charter School and the Charter School shall inform the District Director of Specialized Student Services Special Education of the name of such designee. The designee will participate in mandated Special Education training provided by the District in the manner prescribed by the District. The designee will communicate with the District's Director of Specialized Student Services and/or designee on a regular and ongoing basis as it relates to all Special Education matters at the Charter School;

iv. The Charter School will conduct case study evaluations (both initial evaluations and re-evaluations) and IEP meetings for students with

disabilities enrolled at the Charter School as required by law;

v. The Charter School will provide prior notice to the District's Director of Specialized Student Services Education, and will allow the Director or his/her designee, to participate in all IEP and 504 meetings. This includes but is not limited to notification of initial evaluations, re-evaluation meetings, or IEP meetings for updated/changing a student's special education services. Nothing in this section shall be construed to minimize the Charter School's case manager's obligation to regularly communicate with the District's Specialized Student Services Director and/or designee regarding all specialized services related matters;

vi. Students with disabilities; Special education students attending the Charter School who are eligible for extended school year services shall be entitled to attend the District extended school year (ESY) program, with the understanding that a Charter School student may have to enter the ESY program after the ESY start date to accommodate the Charter School's longer school year; any expenses for ESY participation to be paid by the Charter School shall be prorated accordingly;

vii. The Charter School will implement a response to intervention protocol consistent with the MTSS program outlined in the Charter School Proposal.

b. Child Find. Within ten days of the Charter School's written request, the District will provide to the Charter School access to the Individualized Education Plan ("IEP") for any student who has transferred to the Charter School from a U-46 Public School and for whom the District has an IEP. The Charter School will support Child Find activities conducted or recommended by the District beyond those activities already included in the Charter School's educational program, such as hearing or vision screenings conducted by the District. The District shall provide the Charter School necessary access to, software and training to allow the Charter School personnel to use the District's Student Information System for IEP and 504 plans.

c. Special Education Services Personnel.

i. The Charter School shall hire the following personnel and a portion of their salary shall be reimbursed to the Charter School consistent

with the reimbursement/allocation received for their services by the District:

- (a) One full-time teacher who is LBS I certified.
- (b) One .5 FTE school social worker for the Charter School's first three years of operation, increasing to one full-time social worker thereafter.
- (c) One 1 FTE school nurse.

In the event that the Charter School is unable to find staff to fill these positions, to the extent practicable, the District will provide either its own staff or contracted staff to serve in these roles and reduce Charter school funding by the costs associated with filling the role.

ii. Related Service Providers. Notwithstanding paragraph 6 of this Agreement, any and all auxiliary and related services identified through the IEP and special education process, such as speech and language services, psychological evaluation, social work services, physical therapy, and all other services required under FAPE will be provided and paid for by the District and coordinated through the District's Special Education Director or designee.

Additional Resources. Notwithstanding paragraph 6 of this Agreement, the District shall provide necessary additional resources including personnel for extraordinary expenses, busing/transportation and assistive technologies (as required by a student's IEP or 504 Plan) for the education of students with disabilities enrolled in the Charter School in accordance with the Individuals with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and the IEPs and 504 Plans of such students. Such additional resources shall be sufficient to comply with all provisions of the Charter Schools Law, including Section 27A-11

10. Comprehensive School Management Contracts.

No entity or party other than the Charter School may provide comprehensive school management or operations except upon the prior approval of the District.

11. Renewal of Charter; Failure to Renew.

a. No later than January 1, 2023, and no earlier than September 1, 2022, the Charter School shall provide a written proposal to the District in accordance with Section 27A-9 of the Charter Schools Law, setting forth proposed terms of renewal of this Agreement (the "Renewal Proposal"). Pursuant to Section 27A-9(b) of the Charter Schools Law, the Renewal Proposal of the Charter School shall contain the most recent annual report and financial statement of the Charter School. The Renewal Proposal may contain proposed changes to this Agreement that the Charter School desires to incorporate into the renewed agreement.

b. The Renewal Proposal shall be evaluated by the District in accordance with the requirements of the Charter Schools Law and this Agreement. Within 45 days of receipt of the Renewal Proposal, the District shall convene a public meeting to obtain information to assist the District in its renewal determination. At such meeting, the Charter School shall provide any information requested by the District to assist in its renewal determination, and shall address any modified terms proposed by the District. Within 30 days of the public meeting, the District shall vote, in a public meeting, to either renew or not renew the Agreement. Unless otherwise agreed to by the parties, and notwithstanding anything to the contrary in this Section, the District shall provide written notice to the Charter School of the District's official decision indicating whether, and upon what conditions the District is willing to renew the charter of the Charter School, including any modified terms proposed by the District, no less than sixty (60) days prior to the expiration date of this Agreement. In the event that the District fails to render a timely decision on renewal, the Charter School shall be entitled to receive all of the benefits set forth in this Agreement, including the payments described in Paragraph 6, so long as it continues to deliver instruction to enrolled students and otherwise meet its obligations pursuant to this Agreement and the Charter Schools Law.

c. The District may refuse to renew the Agreement upon a finding that any cause for revocation exists under Section 12 hereof. In the case of non renewal the parties shall fulfill their mutual obligations hereunder to the end of the Term of this Agreement. A nonrenewal decision by the District shall be appealable by the Charter School to the State Charter School Commission (or similar entity) in accordance with Section 27A-8(g) and 9(e) of the Charter Schools Law.

12. Revocation of Charter.

The District may revoke this Agreement and the charter of the Charter School, in accordance with Section 27A-9 of the Charter Schools Law, if the District clearly demonstrates that the

Charter School did any of the following, or otherwise failed to comply with the requirements of the Charter Schools Law:

- a. Committed a material violation of any of the conditions, standards, or procedures set forth in this Agreement including the Accountability Plan and did not resolve the material violation after proper notification; or
- b. Failed to meet generally accepted standards of fiscal management; or
- c. Materially violated any provision of law from which the Charter School was not exempted.

In case of revocation, the District shall notify the Charter School in writing of the reason why the charter of the Charter School is subject to revocation. The Charter School shall submit a written plan to the District to rectify the problem within 30 days. The plan shall include a timeline for implementation, which shall comply with all applicable federal and state laws and regulations and shall not exceed two (2) years or the date of expiration of this Agreement, whichever is earlier. If the District finds that the Charter School has failed to implement the plan of remediation and adhere to the timeline, then the District shall revoke the charter of the Charter School. Except in situations of an emergency where the health, safety or education of the Charter School's students is at risk, the revocation shall take place at the end of the school year. Nothing in this Section shall be construed to prohibit an implementation timetable that is less than two (2) years in duration.

The charter of the Charter School may also be revoked in the event that the parties agree to terminate this agreement by mutual consent.

If, after following the procedures set forth in this Section, the District determines to revoke this Agreement and the charter of the Charter School, the District shall provide the Charter School with written notice setting forth in detail the grounds for revocation at least 30 days prior to the date the District will take final action on such revocation. A revocation decision shall be appealable to the State Charter School Commission in accordance with Section 27A-9(e) of the Charter Schools Law.

In the event of a Charter revocation, or in the event of a closure of the Charter School for any other reason, Charter School representatives will work with District staff to ensure students are

properly transitioned back into their neighborhood schools. In the event the Charter School must be closed for a reason other than revocation, Charter School representatives will provide District Administration at least 120 days prior notice of said closure or as soon as practicable.

Indemnification.

- a. Except as otherwise provided herein, to the fullest extent permitted by law, the Charter School shall indemnify, defend, and hold harmless the District, its members, officers, employees, agents, affiliates and representatives, past and present (collectively, the District Indemnitees), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees, arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) the possession, occupancy or use of the property of the Charter School, its facility, students, patrons, employees, guests, or agents, (ii) any act or omission to act, whether negligent, willful, wrongful or otherwise, by the Charter School, its faculty, students, patrons, employees, guests, or agents, (iii) a violation of any law, statute, code, ordinance or regulation to the extent applicable to Illinois public schools by the Charter School, its faculty, students, patrons, employees, subcontractors, guests or agents, and/or any breach, defaults, violation or nonperformance by the Charter School of any term, covenant, condition, duty or obligation provided in this Agreement including but not limited to the Accountability Plan. This indemnification shall not apply to the extent that any loss results from the negligence, willful or wrongful act or omission of any District Indemnitee or from any act or omission of the Charter School required by law or this Agreement.
- b. This indemnification, defense and hold harmless obligation shall survive the termination of this Agreement. Any indemnified party shall have the right, at its own expense, to participate in the defense of any suit, without relieving the indemnifying party of any of its obligations hereunder.

13. Disclaimer of Liability.

The parties expressly acknowledge that the Charter School is not operating as the agent, or under the direction and control, of the District, except as required by law or this Agreement, and that the District does not assume any liability for any loss or injury resulting from (i) the

acts and omissions of the Charter School, its directors, trustees, agents, subcontractors or employees; (ii) the use and occupancy of the building or buildings occupied by the Charter School, or any matter in connection with the condition of such building or buildings; or (iii) any debt or contractual obligation incurred by the Charter School. The Charter School acknowledges that it is without authority to, and will not, extend the faith and credit of the District to any third party.

14. Governing Law.

This Agreement shall be governed by, subject to and construed under the laws of the State of Illinois without regard to its conflicts of laws provisions.

15. Waiver.

No waiver of any breach of this Agreement shall be held as a waiver of any other or subsequent breach.

16. Counterparts; Signature by Facsimile.

This Agreement may be signed in counterparts, which shall together constitute the original Agreement. Signatures received by facsimile (with confirmation thereof) by either of the parties shall have the same effect as original signatures.

17. Terms and Conditions of Charter School Proposal.

The parties hereto expressly agree that the Charter School Proposal sets forth the overall goals, standards and general operational policies of the Charter School. The Charter School acknowledges and agrees that the Charter School Proposal is an integral part of this Agreement, and the District shall have the right to hold the Charter School responsible for all information, representations and statements contained in the Charter School Proposal. The parties understand, however, that the Charter School Proposal is not a complete statement of each detail of the Charter School's operation. To the extent that the Charter School desires to implement specific policies, procedures or other specific terms of operation that supplement or otherwise differ from those set forth in the Charter School Proposal, the Charter School shall be permitted to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures and terms of operation are consistent with the goals, standards and

general operational policies set forth in the Charter School Proposal, this Agreement, and the Charter Schools Law.

18. Amendments.

This Agreement may be amended only by written consent of the parties hereto and, in the case of material amendments, only after submission of such amendments to, and approval by, the Illinois State Board of Education in accordance with Section 27A-6(e) of the Charter Schools Law.

19. Assignment.

This Agreement may not be assigned or delegated by the Charter School under any circumstances, it being expressly understood that the charter granted hereby runs solely and exclusively to the Charter School.

Dispute Resolution.

If a minor violation or dispute arises between the parties relating to the interpretation or performance of this Agreement, designated representatives of each party who shall have the authority to resolve the dispute shall attempt in good faith to negotiate or mediate a resolution of the dispute. If the minor violation cannot be cured or the parties cannot resolve the dispute after a good faith effort, the District shall evaluate the effect of the violation and/or dispute on the Charter School's ability to perform against the Accountability Plan and the terms of this Agreement. The District shall, in its discretion, implement relief permitted under its Accountability Plan, its intervention policy or pursuant to another provision of this agreement. Notwithstanding anything to the contrary in this paragraph, both parties shall continue to perform their obligations under this Agreement in good faith during the resolution of such minor dispute, unless and until this Agreement expires or is terminated in accordance with the provisions hereof.

20. Termination.

This Agreement may be terminated prior to its expiration by the mutual consent of the parties or revocation of the charter of the Charter School pursuant to Section 12 hereof. Termination of

this Agreement for any reason shall serve to immediately revoke the charter granted hereby.

21. Notices.

Any notice, demand or request from one party to any other party or parties hereunder shall be deemed to have been sufficiently given or served for all purposes if, and as of the date, it is delivered by hand, overnight courier, facsimile (with confirmation thereof), or within three (3) business days of being sent by registered or certified mail, postage prepaid, to the parties at the following addresses:

If to the Charter School: Board President
Elgin Charter School Initiative
17 Douglas Ave
Elgin, IL
60120

With copies to: Elgin Math and Science Academy Principal

If to the District:

With copies to:

22. Severability.

In the event that any provision of this Agreement or the application thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law.

23. Superseder.

This Agreement supersedes and replaces any and all prior agreements and understandings between the District or the School Board and the Charter School with respect to the subject matter hereof. To the extent that any conflict or incompatibility exists between the Charter School Proposal as incorporated herein and the other terms of this Agreement, such other terms of this Agreement shall control.

24. Delegation.

The parties agree and acknowledge that the functions and powers of the District may be exercised by any duly authorized representative of the District, or his/her designee, provided that any ultimate decision regarding renewal, nonrenewal or revocation of this Agreement may be made only by the District.

25. Construction.

This Agreement shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Agreement.

26. Incorporation of Exhibits.

All exhibits referenced herein are hereby incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have made and entered into this Agreement as of the effective date hereof.

School District U-46

By: _____

Name: _____

Title: _____

Elgin Charter School Initiative

By: _____

Name: _____

Title: _____

EXHIBIT A

CHARTER SCHOOL PROPOSAL

The following document is hereby incorporated by reference as if set forth fully herein:

1. The complete Elgin Math and Science Academy Charter School proposal submitted to the District on January 31, 2017.

EXHIBIT B**INSURANCE REQUIREMENTS**

1. **Insurance.** Minimum insurance requirements are:
 - a. **Workers' Compensation and Employers' Liability Insurance:** Workers' Compensation Insurance affording workers' compensation benefits for all employees as required by law and Employers' Liability Insurance covering all employees who are to provide Services under the Contract with limits of not less than Five Hundred Thousand and 00/1 00 Dollars (\$500,000.00) per occurrence.
 - b. **Commercial General Liability Insurance:** Commercial General Liability Insurance or equivalent with limits of not less than One Million and 00/100 Dollars, (\$1,000,000.00) per occurrence, and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate, combined single limit for bodily injury, personal injury and property damage liability coverage shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion), independent contractors, separation of insureds, defense and contractual liability. Policy shall not exclude sexual abuse/molestation coverage. The District shall be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from Services.
 - c. **Automobile Liability Insurance:** Automobile Liability Insurance is required when any motor vehicle (whether owned, non-owned or hired) is used in connection with Services to be performed, with limits of not less than One Million and 00/100 Dollars, (\$1,000,000.00) per occurrence for bodily injury and property damage.
 - d. **School Board Legal/Professional:** School Board Legal/Professional liability insurance covering the Charter School and its directors and officers from

liability claims arising from wrongful acts, errors or omissions in regards to the conduct of their duties related to operation and management of the school with limits of not less than Two Million and 00/100 Dollars (\$2,000,000.00) per claim. Coverage shall include Employment Practices Liability and Sexual Harassment.

- e. Umbrella/Excess Liability Insurance: Umbrella or Excess Liability Insurance with limits of not less than Two Million and 00/100 Dollars (\$2,000,000.00) to provide additional limits for underlying general and automobile liability coverages.
- f. Property Insurance: Property insurance in an amount required by the building owner through lease or other agreement, from physical loss or damage. The Charter School agrees to vigorously pursue language in such insurance policy stating that the insurance companies waive all right of recovery by way of subrogation against the District or the State. In the case of District property for which the Charter School is contractually responsible, by lease or other agreement, the Charter School shall maintain property insurance for full Replacement Cost of the property, from physical loss or damage. Such insurance shall cover boiler and machinery exposures and business interruption/extra expense losses.
- g. Fidelity Bond: Fidelity bond coverage in the amount of at least Two Hundred Thousand and 00/100 Dollars (\$200,000.00) with a responsible surety company with respect to all of the Charter School's employees as may be necessary to protect against losses, including, without limitation, those arising from theft, embezzlement, fraud, or misplacement of funds, money, or documents.

2. **General.** The Charter School's failure to carry or document required insurance during the Term of the contract shall constitute a breach of this Agreement and any failure of the District to demand or receive proof of insurance coverage shall not constitute a waiver of the Charter School's obligations. The District reserves the right to obtain copies of insurance policies and insurance records by written request at any time from the Charter School or its subcontractors and to modify, delete, alter or change insurance requirements at any time.

The Charter School shall require any subcontractors to maintain comparable insurance naming the Charter School, the District inclusive of its members, employees and agents, and any other entity designated by the District as *Additional Insureds*. The Charter School will maintain a file of subcontractor's insurance certificates evidencing compliance with these requirements.

The insurance requirements set forth in this Exhibit B may be amended by mutual agreement of the parties.

EXHIBIT C**ACCOUNTABILITY PLAN**

The following document is hereby incorporated by reference as if set forth fully herein:

1. The Charter School shall operate in accordance with an agreed upon Accountability Plan that shall be executed by the Parties not later than _____. Therein, the Charter School shall commit to certain goals and outcome measures for student achievement. The Accountability Plan shall include absolute, comparative, and growth outcome measures that shall be based on the students' baseline achievement levels. As described in the Charter Proposal, indicators may include:
 - a. Student growth and attainment on the NWEA MAP assessment;
 - b. Performance of student subgroups on the PARCC assessment in comparison to like subgroups in the district and state;
 - c. Student attendance rates.
 - d. Percentage of at-risk students currently being served by the Charter School

2. The accountability plan may also include goals and outcome measures relative to the following compliance categories:
 - a. Fiscal Management
 - b. Facilities
 - c. Professional Climate
 - d. Legal Compliance
 - e. Compliance with this Agreement