COMPREHENSIVE EDUCATIONAL SERVICES AND PERFORMANCE AGREEMENT

THIS COMPREHENSIVE EDUCATIONAL SERVICES AND PERFORMANCE AGREEMENT (this "Agreement") dated this 1st day of July, 20__ (the "Effective Date"), is entered into by and between the Board of Education of the City of Chicago, a body politic and corporate (the "Board") and _______________________, an Illinois not-for-profit corporation (the "Contract School").

RECITALS

WHEREAS, pursuant to the Illinois School Code, 105 ILCS 5/34-1, et seq., (the "School Code") the Board has been created as a body politic and corporate having as its primary purpose the transmission of knowledge and culture through which children learn in areas necessary to their continuing development; and

WHEREAS, to implement its primary purpose the Board has heretofore adopted, among other things, its Policy to Establish Renaissance Schools, pursuant to Board Report 07-0627-PO4 (the "Renaissance Schools Policy") in order to enhance educational quality and opportunities for Chicago students, families and educators by establishing a variety of public schools guided by high, rigorous standards for academic performance that are expressly stated in binding performance agreements or Board approved plans; and

WHEREAS, pursuant to the School Code, particularly Section 105 ILCS 5/34-18 (30), the Board is empowered to contract with third parties for services otherwise performed by Board personnel; and

WHEREAS, on _____________, the Contract School submitted to the Board a proposal (the "Proposal") to operate the Contract School as a Chicago Public School in furtherance of the Renaissance Schools Policy, a copy of which Proposal was approved and accepted by the Board on _____________; and

WHEREAS, in furtherance of the Renaissance Schools Policy, the Board desires to implement its policies through agreements with "Renaissance Facilities", as defined in the Renaissance School Policy, including contract schools (as defined therein), which contract schools are Chicago Public Schools operated independently by not-for-profit educational service organizations such as the Contract School, pursuant to the terms of performance agreements such as this Agreement;

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 Board and the Contract School 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. **Scope of Services.** The Board and Contract School hereby agree that the Contract School will provide educational services and operate the Contract School as a Chicago Public School, subject to the terms and provisions set forth in the Proposal accepted by the Board and as more fully set forth in the Scope of Services attached hereto as **Exhibit A** (the "Scope of Services"), all pursuant to and in accordance with the terms and conditions of this Agreement.

3. **Term of Agreement.** This Agreement shall have an initial term of not to exceed five (5) years, commencing on the Effective Date and expiring at midnight, June 30, 20__ ("Term"), unless terminated or extended pursuant to the terms hereof.

4. **Educational Program.** The Contract School shall conduct the educational program and program of instruction that it has designed and submitted to the Board to serve the educational needs of the students enrolled therein.

a. **Name of School.** The educational facility will be known as ________________________.

b. **Mission Statement.** The Contract School shall operate under the Mission Statement set forth in the Scope of Services, and such mission statement is hereby accepted to the extent that it is consistent with the declared purposes of the Board as stated in the Renaissance Schools Policy and all applicable Board policies and rules as further defined in this Agreement. The Mission Statement shall be secular in nature.

c. **Age, Grade Range.** The Contract School shall provide instruction to pupils in grades as set forth in the Scope of Services.

d. **Enrollment.** Enrollment in the Contract School shall be open to pupils who reside within the City of Chicago and who are selected in accordance with the attendance plan for the Contract School as approved by the Board.

e. **Student Transfers.** Any student transfer out of the Contract School shall be governed by the Board's applicable Policies and Rules.

f. **Goals, Objectives, Pupil Performance Standards.** The Contract School shall pursue and make reasonable progress toward the achievement of the goals, objectives and pupil performance standards consistent with those set forth in the Scope of Services and in accordance with the Accountability Plan described in paragraph 9 of this Agreement (the "Accountability Plan"), provided that such goals, objectives and pupil performance standards shall at all times remain in compliance with the School Code.

g. **Evaluation of Pupils.** The Contract 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 Contract School falls below those standards, shall be consistent with the Scope of Services and all applicable Board rules and policies.

h. **Curriculum.** The curriculum established by the Contract School shall be consistent with the curriculum requirements of the Board and as otherwise modified or supplemented in the Scope of Services. No sectarian educational resources shall be used and the curriculum shall be secular in nature. The Contract School shall notify the Board of any material change in its curriculum subsequent to the date of this Agreement. Any material changes must comply with state law and be approved by the Chief Executive Officer of the Board or his designee, in writing, prior to the implementation of any such change.

i. **School Year; School Days; Hours of Operation.** Instruction shall commence in the 20__-20__ school year and subsequent school years on dates established by the Contract School, provided that the beginning date of instruction shall be no earlier than August 15 and no later than September 15 of each school year. The days and hours of operation of the Contract School shall be as set forth in the Scope of Services. However, at a minimum, the Contract School must be in session for the same number of days and minutes of instruction per day as required by state law.

j. **Discipline.** The Contract School agrees it will implement the Chicago Public Schools Student Code of Conduct (Board Report 08-0723-PO5), as may be amended from time to time (the “SCC”) effective at the beginning of any academic year. The Contract School may modify the SCC only upon the prior written approval of the Board and provided further that the modification is consistent with the educational philosophy and mission of the Contract School. Any modifications to the SCC must comply with applicable provisions of the School Code and Board Rules. Upon the enrollment of a student at the Contract School, each parent/guardian shall be informed of any approved modifications to the SCC, expectations at the Contract School and the disciplinary reassignment policy that would apply if a student violated the Contract School’s modified code of conduct.

k. **Governance and Operation of Contract School.** The Contract School will be formed in accordance with the Illinois General Not-For-Profit Corporation Act, as may be amended from time to time, and shall state in its Articles of Incorporation that it is not affiliated with any religious institution nor is the stated purpose of the corporation to promote sectarian teachings.

l. **Advisory Council.** The Board and Contract School will cooperate to form an advisory council comprised of parents, community members and school staff. Such advisory council may advise the Contract School in matters pertaining to the operation of the Contract School as a Chicago Public School consistent with the Scope of Services, all Board Policies and Rules, and all other requirements of state law.
m. **Pupil Transportation.** The Contract School shall meet the transportation needs of students at the Contract School in the manner as set forth in the Scope of Services, provided that the Contract School shall specifically address the transportation needs of students with disabilities or who are homeless all in accordance with applicable law.

n. **Bilingual Education.** The Contract School is subject to all Board rules, policies and consent decrees regarding bilingual education services and is required to provide services to its students pursuant to those rules, policies and consent decrees. In addition, the Contract School is required to provide any additional bilingual education services identified in the Scope of Services.

o. **School Calendar.** No later than July 1 prior to the commencement of each academic year during which this Agreement is in effect, the Contract School shall submit to the Board the Contract School’s calendar for such academic year and the following summer session.

5. **Additional Covenants and Warranties of Contract School.** The Contract School covenants and warrants as follows:

a. **Compliance with Laws, Regulations and Board Policies.** The Contract School shall operate at all times in accordance with all applicable federal and state laws and constitutional provisions prohibiting discrimination on the basis of race, color, ancestry, religion, sex, sexual orientation, age, disability, marital status, parental status, military discharge status, national origin, housing status or need for special educational services. The Contract School will not partake in activities or events which foster the establishment of religion contrary to the First Amendment of the Constitution of the United States nor which create excessive entanglement with religious institutions. Board policies and rules adopted after the Effective Date of this Agreement shall be deemed to apply to the Contract School unless application is expressly waived by the Board.

b. **Compliance with Agreement.** The Contract School shall operate at all times in accordance with the terms of this Agreement, including the Accountability Plan and all other Exhibits attached hereto.

c. **Maintenance of Corporate Status and Good Standing.** The Contract School shall at all times maintain itself as an Illinois general not-for-profit corporation capable of exercising the functions of the Contract 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 Contract School shall provide the Board with certified copies of its Articles of Incorporation, a Certificate of Incorporation evidencing its incorporation as a not-for-profit corporation, its bylaws, and all amendments or modifications thereto. The Contract School may file for recognition as an
organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and upon request, the Contract School shall provide the Board with copies of all filings relating to the Contract School maintaining 501(c)(3) exempt status.

d. **Personnel.** The relationship between the Contract 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 Scope of Services and this Agreement, provided that the Contract School shall comply with all federal and Illinois employment laws and regulations.

No later than ten (10) business days following the execution and delivery of this Agreement, and thereafter, no later than September 1 of each subsequent year during the Term of this Agreement, the Contract School shall provide the Board with a current list of all of its employees, and shall cause each of its subcontractors to provide the Board with a current list of all of such subcontractor's employees providing services at the Contract School. Such lists shall contain the names, job positions and social security numbers of all applicable employees. Such list shall also indicate: (i) for each employee, the date of initiation of the fingerprint-based criminal background investigation and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database required under Section 34-18.5 of the School Code and subparagraph 5.e. of this Agreement, and the results of such background check; and (ii) for each individual employed in an instructional position, evidence of certification. For any person hired in an instructional position after September 1 of any school year, the Contract School shall provide the Board with such evidence of the criminal background investigation and certification or other qualification no later than ten (10) business days after the individual's initial date of employment.

e. **Criminal Background Checks.** The Contract School shall not knowingly employ and shall not permit its subcontractors to knowingly employ any individual who shall come into regular, direct contact with pupils at the Contract School (i) for whom a fingerprint-based criminal background investigation and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database has not been conducted or (ii) who has been convicted of committing or attempting to commit one of the offenses enumerated in Section 34-18.5(c) of the Illinois School Code.

f. **Instructional Providers.** The Contract 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 certificated under Article 21 of the School Code, 105 ILCS 5/21-1 et seq. All individuals in instructional positions certificated under Title IX of the School Code must be "Highly Qualified" in accordance with the No Child Left Behind legislation. For purposes of this subparagraph, "instructional positions" means all those positions involving
duties and responsibilities which, if otherwise undertaken in the Chicago Public Schools, would require teacher certification.

g. **Facility.**

i. **New Facility.** The Contract School shall be located at ______________________, Chicago, Illinois (the “Attendance Center”). The Contract School shall have obtained and submitted to the Office of New Schools for review no later than thirty (30) days prior to the commencement of operation of the Attendance Center: (1) all applicable occupancy permits and health and safety approvals for such Attendance Center; (2) an executed copy of the lease agreement for such Attendance Center, if occupied under a lease agreement; and (3) evidence of title to such Attendance Center, if owned by the Contract School. The Contract School shall take such actions as are necessary to ensure that the lease, occupancy permits and health and safety approvals for such Attendance Center remain valid and in force, and shall certify to the Board by August 1, 20__ and thereafter no earlier than June 1 and no later than July 1 of each subsequent year during the Term of this Agreement that such lease, permits, certificates and approvals remain in force.

ii. **Change in Location.** The Contract School may change the physical location of its Attendance Center, provided that the Contract School fulfills certain conditions of the Board and provides the information set forth in this subparagraph with respect to such new physical location, and provided further that (1) the Contract School notifies the Board of the proposed change in location not less than one hundred and twenty (120) days prior to taking any final action in connection therewith; and (2) the Board, or its Chief Executive Officer, does not issue a denial to the Contract School within fourteen (14) days of its receipt of such notification. Such a change in the physical location of an existing Attendance Center by the Contract School requires the prior approval of the Board to be in full force and effect.

iii. **Compliance with Disability Access Laws and Regulations.** The Contract School shall ensure that its facility and operations comply with: (1) all applicable provisions of federal, state and local disability access laws including, without limitation, the Americans with Disabilities Act (“ADA”), 42 U.S.C.A. §12101 et seq., the Rehabilitation Act of 1973, 29 U.S.C.A. §701 et seq., as amended, their implementing regulations, the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the accessibility portions of the Chicago Building Code; and (2) the ADA and Rehabilitation Act aspects of the Accountability Plan; provided, however, if the Contract School enters into a lease agreement with the Board to occupy a Board facility to operate the Contract School, the terms and conditions of the lease agreement shall control.
iv. **ADA Plan.** At the request of the Office of New Schools, the Contract School shall submit a facility plan for the Attendance Center which shall comply with the ADA and Section 504 of the Rehabilitation Act of 1973, as amended, their implementing regulations, the Illinois Environmental Barriers Act, and the accessibility portions of the Chicago Building Code ("ADA Plan"). Any such ADA Plan shall be submitted to the Board for approval which shall not be unreasonably withheld. Any such ADA Plan submitted to the Office of New Schools and accepted by the Board shall be incorporated by reference and made a part of this Agreement. Failure to submit an ADA Plan to the Office of New Schools by the Board-specified date shall be deemed a material breach of this Agreement, subject to paragraph 13 herein, and the Board shall consider such non-compliance a factor in determining whether to revoke or renew the Agreement.

h. **Homeless Children.** The Contract School acknowledges and agrees that the Chicago Public Schools are committed to serving the needs of children who are homeless and to protecting their rights under federal and state law. The Contract School agrees that one goal of this Agreement is to ensure that all homeless children who attend the Contract School receive the same services provided by the Chicago Public Schools to homeless children and the Contract School agrees that it will provide services to homeless children at the same level that Chicago Public Schools provide those services. The Contract School also must protect the rights of children under the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.) and the Illinois Education for Homeless Children Act (105 ILCS 45/1-5 et seq.) and all other laws that protect the rights of homeless children. The Contract School further acknowledges that the Board has certain obligations under the Settlement Agreement in *Salazar v. Edwards*, 92 CH 5703 (Circuit Court, Cook County). The Contract School shall ensure that no member of the Salazar class is deprived of his or her rights under the Settlement Agreement and the Contract School shall not interfere with the Board’s performance of its obligations under the Settlement Agreement.

6. **Financial Operations of Contract School.**

a. **Financial Management.** At fiscal year end, the Contract School shall prepare its annual financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations ("GAAP"). During the fiscal year, the Contract School shall operate in accordance with GAAP, the cash basis of accounting, or any other basis of accounting, provided that the Contract School’s accounting methods allow it to prepare reports required by the Board, the Illinois State Board of Education ("State Board"), and any other grantors.

b. **Budget.** The Contract School shall prepare and provide to the Board a copy of its quarterly and annual budgets for each fiscal year by no later than July 1
of such fiscal year. The fiscal year for the Contract School shall begin on July 1 of each year and end on June 30 of the subsequent year.

c. **Distribution of Funds.** Quarterly during each academic year, the Contract School shall receive a per pupil allocation. The Board shall load the Contract School's funds at the start of the fiscal year through ORACLE or the Board's then-current electronic financial system and such monies will be disbursed quarterly. All funds distributed to the Contract School from the Board shall be used for educational purposes only and the Contract School has discretion to determine how such funding shall be allocated at the school level to serve those purposes. The use of such funds for any other purpose is strictly prohibited.

d. **Funding Procedure.** The Board shall calculate the per capita tuition payment for each pupil enrolled at the Contract School based on the funding procedures set forth in Exhibit B (Funding Determination Procedure) and shall provide this amount to the Contract School for each pupil enrolled at the Contract School as set forth in Exhibit B.

e. **Supplemental General State Aid and Title I Funds.** The Contract School shall furnish the Board with eligibility data regarding Supplemental General State Aid ("State Aid") and Title I eligible students enrolled in the Contract School. State Aid revenues to which the Contract School is entitled shall be distributed to the Contract School quarterly on the dates set forth in Exhibit B on an estimated basis, provided that the Board may adjust any such payment to account for prior deviations between the estimated State Aid funds paid and the amount of State Aid funds to which the Contract School was entitled during such payment period. Such amounts shall be in addition to the per pupil funding amounts provided in Exhibit B hereto. The Contract School will keep financial records of such funds separate from its other revenues and there shall be no co-mingling of monies in various accounts. During the first year of the Contract School's provision of educational services, any Title I or other Federal funding for which these students qualify shall be provided to the Contract School by the Board in accordance with the formula set forth in Exhibit B.

f. **Refund of Unspent Funds.** In the event that this Agreement is terminated, any unspent funds are subject to recapture by the Board. This provision is not a limitation of the Office of Budget and Management ("Budget Office") or other Board departments with respect to any other recapture of funds permitted by Board rules or policies.

g. **Other Sources of Funds for Contract School.** The funding procedures set forth in Exhibit B attached hereto are not intended to increase or decrease the amount of per capita student tuition to which the Contract School is entitled under law. In addition, the parties acknowledge that the Contract School is or may be entitled to other categorical state and federal sources of funds for schools which are not included in the per capita tuition payment described in Exhibit B hereto.
h. **Tuition and Fees.** The Contract School shall not charge tuition to any student, unless such student would otherwise be liable for tuition costs under the School Code. The Contract School may charge reasonable fees, to the extent permitted by law, for textbooks, instructional materials, summer school programs, after school programs, and student activities.

i. **Outside Funding.** The Contract School may accept gifts, donations or grants pursuant to 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 Contract School solicits funding from sources other than those set forth in this paragraph 6, it shall comply with all applicable state or federal laws regarding the reporting of charitable solicitations. The Contract School shall keep separate accounting records of all gifts, grants and donations. Any such gifts, grants and donations made directly to the Contract School shall be separately accounted for and shall be used in accordance with the terms of such gifts, grants or donations. Any gifts, grants or donations made directly to the Contract School for general application at the Contract School or for the students shall be expended in the Contract School in consultation with the Board and will be accounted for separately.

j. [Reserved]

k. **Management and Financial Controls.** At all times, the Contract School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) accounting methods as specified in paragraph 6.a.; (2) a checking account; (3) adequate payroll procedures; (4) bylaws; (5) an organizational chart; (6) 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; and (7) internal control procedures for cash receipts, cash disbursements and purchases.

l. **Annual Audits.** The Contract School shall cause a Financial Statement Audit and Financial and Administrative Procedures Controls Review (collectively, the “Financial Audit”), to be performed annually at its expense by an outside independent auditor that must be retained by the Contract School by July 15th of each year of this Agreement, and such auditor must be reasonably acceptable to the Board. The Financial Audit shall include, without limitation:

i. An opinion on the financial statements (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 Auditing Standards and the Single Audit Act of 1984, as amended; and

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

The Financial Audit shall be made available to the Board no later than November 1 of each year during the Term of this Agreement, beginning with November 1, 20__.

m. Quarterly Financial Statements. The Contract School shall prepare or cause to be prepared quarterly financial statements (income statement and balance sheet), which shall be provided to the Board on or before January 14, April 14, July 14 and October 14 of each year, beginning October 14, 20__.

n. Attendance. The Contract School shall maintain accurate enrollment data and daily records of student attendance. The Contract School may provide the Board with current enrollment and attendance data via the Board's Student Information/IMPACT System (the "SI/IMPACT System") or such other system as may be subsequently implemented by the Board. Such enrollment and attendance data shall be maintained and updated on the SI/IMPACT System on a daily basis by the Contract School. The Board shall provide the Contract School with the necessary SI/IMPACT System access, software and training to allow Contract School personnel to use the Board's SI/IMPACT System and input enrollment/attendance data.

o. Withholding of Funds. In the event the Contract School fails to (1) submit to the Board any documents or information required under this Agreement, (2) follow any procedures and policies set forth in this Agreement, or (3) meet teacher certification levels; the Board may withhold any and all payments of funds to the Contract School providing the Board gives the Contract School written notice enumerating the specific failure(s). Upon the Contract School's cure of any such failure(s), the Board shall reinstate access to the Contract School's funding. Repeated violations of this paragraph shall be deemed a material violation of this Agreement, and the Board may terminate this Agreement.

7. Purchase Agreement. The Board and Contract School may enter into a purchase agreement or agreements providing for the purchase by the Contract School from the Board of certain goods, services and materials in connection with the operation of the Contract School.

8. Insurance. The Contract School shall, at its own expense, purchase and maintain insurance covering all of its operations, whether performed by the Contract School or by subcontractors. Such insurance shall include the types of insurance set forth in Exhibit C (Insurance Requirements) 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 rated A-VII or better by A. M. Best or a comparable rating service. On the date this Agreement is executed and delivered, and thereafter, on or before July 1 of each year this Agreement is in effect, the Contract School shall provide the Board with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts as set forth in Exhibit C for the period commencing on the immediately succeeding July 1 and remaining in effect until the end of the next school year.


   a. Accountability Plan. The Contract School shall be held accountable by the Board in accordance with applicable Board policies, rules and the Accountability Plan as set forth in Exhibit D (Accountability Plan) hereto. Due to potentially sweeping changes regarding testing requirements and other accountability standards that may occur because of the enactment of the No Child Left Behind Act or other laws or mandates, the parties agree that the Accountability Plan is subject to change.

   b. Standardized Tests. The Contract School shall administer such standardized tests of academic proficiency as are provided for in the Board’s policies and procedures, and shall participate in State assessments required by Section 2-3.64 of the School Code.

   c. Site Visits. In addition to the above procedures, the Contract School shall grant reasonable access to, and cooperate with, the Board, its officers, employees and other agents, including allowing site visits by the Board, its officers, employees and other agents, for the purpose of allowing the Board to fully evaluate the operations and performance of the Contract School pursuant to Board policies, rules and the attached Accountability Plan. Where possible, the Board shall provide the Contract School with at least twenty-four (24) hours prior notice of such site visits.

10. Specialized Services.

   a. The Contract School shall provide special education and related services to students with disabilities in accordance and compliance with (i) the student’s Individualized Education Plan ("IEP"); (ii) the Individuals with Disabilities Education Act (20 U.S.C. §1401 et seq.); (iii) the Board-approved “A Procedural Manual Educating Children with Disabilities in Chicago Public Schools”, revised edition 2002, as may be amended from time to time, which is incorporated herein by reference; (iv) any and all Federal court orders applicable to children with disabilities in the Chicago Public Schools including, but not limited to, Corey H, 92 C 3409; and (v) any and all service bulletins issued by the Board’s Office of Specialized Services.

   b. Special Education Teachers & Paraprofessionals. The Contract School shall hire its own special education teachers and paraprofessionals to
provide special education services to the Contract School’s students with disabilities. The Board shall reimburse the Contract School for the salary and benefits of certified special education teachers and paraprofessionals based on the Board’s special education staffing formulas and the student’s IEP.

c. **Staffing Election of Clinicians.** The Contract School may elect to hire its own clinicians to provide IEP services to its students with disabilities enrolled at the Contract School or it may elect to have the Board furnish clinicians to serve the Contract School’s students with disabilities. The Contract School shall notify the Board in writing, by July 1 of each year, of its election regarding the staffing of clinicians if such staffing is required by its students’ IEPs. If the Contract School elects to have the Board furnish the necessary clinicians, the Board shall assign the necessary staff to the Contract School. If the Contract School elects to hire its own clinicians, the Contract School shall be reimbursed by the Board.

d. **Staff Requirements.** Annually, in accordance with the Board’s budgetary process, the Contract School shall receive the projected staffing allocation for special education teachers, paraprofessionals and clinicians required by State guidelines, based on students enrolled at the Contract School, entered into and identified as needing services by the students’ IEPs and the Board’s SI/IMPACT System. The Board may during the school year issue adjustments to these staff requirements to accommodate changes in the enrollment and IEP needs of the Contract School’s students. All special education teachers, paraprofessionals and clinicians employed by the Contract School shall have the requisite qualifications, Illinois certificates and/or licenses.

e. **Additional Resources.** Notwithstanding paragraph 6 of this Agreement, the Board shall provide necessary additional resources including assistive technologies (as required by a student’s IEP) for the education of students with disabilities enrolled in the Contract School in accordance with the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and the IEPs of such students.

11. **No Competing Contracts.** No entity or party other than the Contract School may provide comprehensive educational services or any of the services described in the Scope of Services except upon the prior approval of the Board.

12. **Renewal of Agreement; Failure to Renew.** No later than January 1, 20__, and no earlier than September 1, 20__, but in no event later than the date set by the Chief Executive Officer, the Contract School shall provide a written proposal to the Board setting forth proposed terms of renewal of this Agreement. The renewal proposal of the Contract School shall contain the most recent annual performance report and financial statement of the Contract School. The written proposal may contain proposed changes to this Agreement that the Contract School desires to incorporate into the renewed agreement.
The Board shall provide written notice to the Contract School indicating whether, and upon what conditions, it is willing to renew this Agreement, including any modified terms proposed by the Board. If the Contract School does not agree to the terms of the renewal, the Board may terminate this Agreement or refuse to extend this Agreement.

13. **Termination of Agreement.** The Board may terminate this Agreement if the Contract School did any of the following, or otherwise fails to comply with the covenants, warranties or other requirements of this Agreement:

   a. Committed a violation of any of the conditions, standards, obligations or procedures set forth in this Agreement including the Exhibits attached hereto; or
   
   b. Breached any covenant or warranty contained herein or it is proven that any representation contained herein is untrue; or
   
   c. Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in this Agreement; or
   
   d. Failed to meet generally accepted standards of fiscal management; or
   
   e. Violated any provision of law or policy to which the Contract School is subject; or
   
   f. Met criteria for closing (for academic or non-academic reasons) under the then-current Closing of Schools Policy adopted May 23, 2007 (07-0523-PO2), as amended.

In addition, this Agreement may be terminated by mutual consent of the parties pursuant to paragraph 21 of this Agreement.

In the event that the Board proposes to terminate this Agreement, the Board shall provide the Contract School with written notice setting forth in detail the grounds for such termination at least fourteen (14) days prior to the date the Board takes final action on such termination.

14. **Indemnification.**

   a. To the fullest extent permitted by law, the Contract School shall indemnify, defend and hold harmless the Board, its members, officers, employees, agents, affiliates and representatives, past and present (collectively, the “Board 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 Contract School, its faculty,
students, patrons, employees, guests or agents, (ii) any act or omission to act, whether negligent, willful, wrongful or otherwise by the Contract School, its faculty, students, patrons, employees, guests or agents, (iii) a violation of any law, statute, code, ordinance or regulation by the Contract School, its faculty, students, patrons, employees, subcontractors, guests or agents, and/or (iv) any breach, default, violation or nonperformance by the Contract School of any term, covenant, condition, duty or obligation provided in this Agreement including, but not limited to, the Accountability Plan (collectively, the “Covered Losses”). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any Board Indemnitee or from any act or omission of the Contract School required by law or this Agreement.

b. To the fullest extent permitted by law, the Board shall indemnify, defend and hold harmless the Contract School, any successor entity thereto, and their respective members, officers, employees, agents, affiliates and representatives, past and present (collectively, the “Contract 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) a violation of any law, statute, code, ordinance or regulation by the Board, its members, agents, officers or employees, and/or (ii) any breach, default, violation or nonperformance by the Board of any term, covenant, condition, duty or obligation provided in this Agreement or the Accountability Plan (collectively, the “Covered Losses”). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any Contract Indemnitee or from any act or omission of the Board required by law or this Agreement.

c. 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.

15. Disclaimer of Liability. The parties expressly acknowledge that the Contract School is not operating as the agent, or under the direction and control, of the Board except as required by law or this Agreement, and that the Board assumes no liability for any loss or injury resulting from: (1) the acts and omissions of the Contract School, its directors, trustees, agents, subcontractors or employees; (2) the use and occupancy of the building or buildings occupied by the Contract School, or any matter in connection with the condition of such building or buildings; or (3) any debt or contractual obligation incurred by the Contract School. The Contract School acknowledges that it is without authority to, and will not, extend the faith and credit of the Board or the Chicago Public Schools to any third party.
16. **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.

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

18. **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.

19. **Entire Agreement; Amendments.** This Agreement, including all Exhibits and referenced documents, constitutes the entire agreement of the parties hereto with respect to the matters contained herein and therein. No modification of or amendment to this Agreement is effective unless in writing and executed by each party to this Agreement.

20. **Assignment.** This Agreement may not be assigned or delegated by the Contract School under any circumstances, it being expressly understood that this Agreement runs solely and exclusively to the Contract School.

21. **Termination by Consent of Parties.** This Agreement may be terminated prior to its expiration by the mutual consent of the parties or revocation of this Agreement pursuant to paragraph 13 hereof.

22. **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 Contract School: 
   
   [Address]
   
   Attn: ____________________________
   
   Facsimile: ____________________________

   If to the Board: 
   
   Chicago Board of Education 
   Office of New Schools 
   125 South Clark Street, 5th Floor 
   Chicago, Illinois 60603 
   Attn: Joshua R. Edelman, Executive Director 
   Facsimile: (773) 553-1559
23. **Severability.** In the event that any provision of this Agreement or the Proposal 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 Proposal 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.

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

25. **Delegation.** The parties agree and acknowledge that the functions and powers of the Board may be exercised by the Chief Executive Officer of the Chicago Public Schools, provided that any ultimate decision regarding renewal, non-renewal or revocation of this Agreement may be made only by the Members of the Board.

26. **Prior Actions.** It is expressly agreed and understood that as a condition precedent to this Agreement becoming effective on the Effective Date hereof, the Contract School shall have taken, completed and satisfied on or before the date specified herein any action or obligation which is required to be completed before such Effective Date, and that failure to do so shall constitute grounds for the Board to declare this Agreement null and void.

27. **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.

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

29. **Reservation of Rights and Obligations under Law.** Nothing in this Agreement shall be read to limit the Board’s rights and obligations under applicable law.
IN WITNESS WHEREOF, the parties have made and entered into this Agreement as of the Effective Date hereof.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: ______________________
Rufus Williams
President

By: ______________________
Name: ____________________
Title: _____________________

ATTEST:

By: ______________________
Estela G. Beltran
Secretary

By: ______________________
Name: ____________________
Title: _____________________

Board Report: ______________

Approved as to legal form:

Patrick J. Rocks, General Counsel

Attachments:
Exhibit A – Scope of Services
Exhibit B – Funding Determination Procedure
Exhibit C – Insurance Requirements
Exhibit D – Accountability Plan
EXHIBIT A

SCOPE OF SERVICES

This Exhibit A, Scope of Services, is attached to that certain Comprehensive Educational Services and Performance Agreement dated as of July 1, 20___, by and between the Board of Education of the City of Chicago, a body politic and corporate (the "Board") and __________________, an Illinois not-for-profit corporation (the "Contract School"), which together with this Exhibit A and the other Exhibits attached thereto is referred to as the “Agreement”. All capitalized terms used in this Exhibit have the meanings ascribed thereto in the body of the Agreement unless otherwise defined herein or unless the context clearly indicates another meaning.

I. GENERAL

A. Terms and Conditions of Proposal

The Contract School has submitted to the Board and the Board has accepted that certain Proposal (the "Proposal") dated as of _________________, a true and complete copy of which Proposal is attached hereto as Attachment 1 to this Exhibit A. The Proposal sets forth the overall goals, standards and general operational policies of the Contract School. The Contract School acknowledges and agrees that its Proposal is an integral part of this Agreement, except to the extent that this Agreement is contrary to the Proposal, and the Board shall have the right to hold the Contract School responsible for all information, representations and statements contained in the Proposal, except to the extent that such representations and/or statements are directly contrary to anything contained in this Agreement. The Proposal, however, is not a complete statement of each detail of the Contract School’s operation. The Contract School agrees to operate in accordance with all requirements and restrictions of the Board as a City of Chicago public school. To the extent the Contract School desires to implement specific policies, procedures, or other specific terms of operation that supplement or otherwise differ from those set forth in the Proposal or as directed by the Board, the Contract School shall not implement such policies, procedures or specific terms of operation, unless such policies, procedures or terms of operation are consistent with all applicable laws and regulations, Board policies and rules or unless specifically waived by the Board in writing.

II. EDUCATIONAL PROGRAM

A. Mission Statement
B. Student Population

Age, Grade Range. The Contract School shall provide instruction to pupils in grades ___ through ___, not to exceed ___ students in the 20__-20__ academic year. In subsequent years, the Contract School shall provide instruction to pupils in grades ___ through ___, not to exceed ____ students.

C. Bilingual Education

The Contract School will provide any additional bilingual education services identified in the Proposal and in the Agreement.

D. Specialized Services

The Contract School will provide any additional specialized services identified in the Proposal, the Agreement and further described below:

1. All students will have access to the general education curriculum. All students will take core courses with the same title. The program of study is the same for all students and will use targeted instruction, experiential learning, and differentiated instruction.

2. If a student has an IEP, resource rooms and self-contained classrooms will be established to accommodate the student. However, no student may spend the school day in a completely self-contained program and must be exposed to physical education, art, music and elective courses.

3. The Contract School will have two (2) case managers who will either be certified special education teachers or have a Type 73 School Service Personnel certificate. Each case manager will be responsible for the following: coordinating referrals, ensuring parent notification for all evaluations and meetings, convening and chairing IEP conferences, coordinating related services with OSS, and entering student data into the SI/IMPACT System.

4. Summer school will be offered to each student with disabilities who needs additional work in areas such as reading, writing and mathematics. The summer program will be four (4) hours per day for a four-week period.
E. Homeless Students

The Contract School will provide any additional services to homeless students as identified in the Proposal, the Agreement and as further described below:

1. Upon identifying a student as homeless, the staff shall determine: a) if the child and family have a safe place to stay while searching for permanent housing; b) if the child’s physical needs are being met (i.e., adequate food, place to bathe, clean clothing); and c) how to support the child in continuing his/her education at the Contract School while the family searches for housing. The Contract School’s staff shall work with parents and each homeless child to satisfy the first two priorities. Parents will be referred to appropriate social service agencies as one way to identify temporary housing or shelters and to find resources for nutritional meals for families.

2. The Contract School will ensure that for each student identified as homeless, the following measures will be taken:
   a. All school fees are waived;
   b. The Contract School will supply the family with a uniform and uniform shoes, if needed;
   c. A voucher for transportation will be given to the family if travel arrangements change;
   d. The Contract School will work cooperatively with the family and appropriate social service agencies to ensure that the student’s academic program is not disrupted, including working with the family to allow the student to participate in extracurricular and special activities; and
   e. Social work services will be made available to the family.

III. FACULTY AND ADMINISTRATION

A. Teacher recruitment, hiring, evaluation and dismissal

1. The Contract School shall follow the procedures fully outlined in the Proposal and identified below for teacher recruitment, hiring, evaluation and dismissal:
   a. Recruitment of teachers will be accomplished by placing notices of openings in educational publications and in Chicago newspapers as well as recruiting efforts at local universities and teacher fairs;
   b. All full-time personnel must be certified and submit college transcripts, certification documents and have complete fingerprint-based criminal background investigations and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database;
   c. Teacher evaluations shall be multifaceted performance-based plans in accordance with the policies of the Board, as may be described in the Proposal and as briefly outlined below:
i. The Contract School principal will make at least two (2) formal evaluations each academic year;
ii. The Director of Academic Programs will make at least two (2) formal evaluations each academic year;
iii. Program Chairperson (social studies/language arts; science and math; "specials" teachers in art, music, P.E., language; business and entrepreneurship) will make at least two (2) formal evaluations each academic year (after the initial academic year);
iv. These results will be incorporated into the evaluation plan outlined in the Proposal; and
v. The Director of Academic Programs will evaluate the teachers of students with special needs (this may be done with the assistance of a qualified outside evaluator); and
d. Decisions as to teacher retention, compensation, discipline, suspension or termination will be made by the principal and Contract School. Due process protections shall be afforded to any teachers subject to suspension or termination.

B. Principal qualifications, selection and removal

The Contract School’s governing board retains the right to select, evaluate and terminate the Contract School’s principal pursuant to the terms of the Contract School’s performance agreement with the principal. Each such agreement shall state how a principal shall be held accountable to the Contract School for the performance of the Contract School. Any principal hired by the Contract School shall be offered a performance contract with the Contract School that includes provisions regarding the due process protections to be afforded to principals and the procedures for termination, which shall meet the minimum standards as specified by the Board. The performance agreement shall also include any performance criteria or goals negotiated between the Contract School and principal. The Contract School’s principal must meet applicable Illinois state certification requirements.

C. Comprehensive Educational Services or School Operations Contracts

No entity or party other than the Contract School may provide comprehensive educational services or operate the Contract School except as expressly provided herein or upon the prior written approval of the Board with all requirements imposed by the Board.
IV. APPLICABLE LAW AND COMPLIANCE REQUIREMENTS

A. Compliance with Laws and Regulations

Pursuant to the Policy to Establish Renaissance Schools, the Contract School shall comply with all applicable federal, state, and local requirements related to special education, bilingual education, homeless education, civil rights and discrimination, health and safety, and fire, safety and building codes.

The Contract School shall comply with applicable Board policies including those noted below unless the Board approves an exemption or an alternative policy.

1. **Promotion Policy.** The Contract School shall comply with the Board promotion policies, 04-0128-PO1 and 07-0926-PO1, as amended.

2. **Graduation Requirements.** The Contract School shall comply with Board graduation requirement policy, 06-0628-PO2, as amended, regarding the minimum number of credits required to graduate.

3. **Assessments.** The Contract School shall comply with and participate in all state assessments that are necessary to participate in the "Accountability System for All Chicago Public Schools" policy. The Contract School may create unique learning standards and assessments consistent with its individual mission and the Agreement.

4. **Student Identification.** The Contract School shall participate in applicable CPS student information systems and IEP systems (or comparable systems).

5. **School Performance, Remediation and Probation Policy.** The Contract School shall comply with the Board school performance, remediation and probation policy, 08-0602-PO2, as amended.

The Contract School shall comply with all applicable orders and decrees issued by federal and state courts, including desegregation orders, orders regarding special, homeless and bilingual education and compliance agreements or other agreements between the Board and the United States Department of Education or other federal or state agencies.
Exhibit B

CONTRACT FUNDING DETERMINATION PROCEDURE

Funding amounts provided to the Contract School by the Board may be adjusted or vary from year to year depending upon the amount of appropriations authorized by the Illinois General Assembly and subsequent Board approval of the budget on an annual basis.

I. **Base Allocation:** The Contract School will receive from the Board a Base Allocation on a per pupil, per annum basis in accordance with the formula stated below or in the Final Budget Book adopted by the Board each fiscal year.

   A. For each student enrolled at the Contract School, the Board shall provide to the Contract School an amount equal to the current fiscal year general revenues of the Board divided by the current fiscal year K-12 enrollment of the Board.

   The general revenues shall include all revenues available to the Board for general use to support all pupils and programs including, but not limited to, General State Aid, General Operating Funds property taxes, Corporate Personal Property Replacement Tax revenues, and unrestricted State block grant revenues.

   The general revenues shall not include revenues which may be used only for specific types of pupils, programs, or purposes, nor revenues which are reimbursements for expenses associated with specific types of pupils, programs, or purposes including, but not limited to, State pension revenues, State and Federal special education revenues, State Chapter 1 revenues, and Federal Title 1 revenues. General revenues shall also not include available fund balance and interest on investments.

   B. For the 2008-09 fiscal year, the Per Pupil Funding Amount for schools serving grades Kindergarten through eight will be $5,939. For subsequent years, the Per Pupil Funding Amount for grades Kindergarten through eight shall appear in the Final Budget Book adopted by the Board on an annual basis.

   C. For the 2008-09 fiscal year, the Per Pupil Funding Amount for schools serving grades nine through twelve will be $7,424. This Per Pupil Funding Amount will be applied to all students in schools serving grades nine through twelve including all students in schools serving grades nine through twelve and any configuration of grades six through eight. For subsequent years, the Per Pupil Funding Amount shall appear in the Final Budget Book adopted by the Board on an annual basis.
II. **Additional Funding:** The Contract School may be eligible to receive additional funding from the Board on a per pupil, per annum basis if the Contract School satisfies the criteria described in any of the categories stated below:

A. **School Size**

Subject to funding availability, the Contract School will receive an additional $300 per pupil if its maximum planned enrollment at each individual campus is 600 or less for high schools and 350 or less for elementary schools.

B. **Special Education Funding Amounts**

1. The Contract School will hire its own special education teachers based on the school’s population of students with disabilities. The Contract School will receive reimbursement, on a quarterly basis, for its special education teachers based on the average cost of salary and benefits for full-time equivalent special education teachers employed by the Board. For the 2008-2009 school year, the reimbursement rate is up to $65,000 per year, per full-time equivalent teacher. The maximum reimbursement to the Contract School for full-time equivalent special education teachers will be the lesser of the (i) product of the reimbursement rate multiplied by the number of full-time equivalent teachers eligible for the Contract School or (ii) aggregate sum of the actual salaries and benefits of the special education teachers employed at the Contract School.

2. The Contract School will hire its own paraprofessionals to provide the necessary supports required by its students’ IEPs. The Contract School will receive reimbursement, on a quarterly basis, for such paraprofessionals based on the average cost of salary and benefits for full-time equivalent paraprofessionals employed by the Board. For the 2008-2009 school year, the reimbursement rate is up to $32,500 per year, per full-time equivalent paraprofessional. The maximum reimbursement to the Contract School for full-time equivalent paraprofessionals will be the lesser of the (i) product of the reimbursement rate multiplied by the number of full-time equivalent paraprofessionals eligible for the Contract School or (ii) aggregate sum of the actual salaries and benefits of the paraprofessionals employed at the Contract School for special education purposes.

3. If required by its students’ IEPs, the Contract School may elect to furnish its own clinicians to provide support to its students with disabilities enrolled at the Contract School or it may elect to have the Board furnish clinicians to serve the Contract School’s students with disabilities. If the Contract School elects to have the Board furnish the clinicians, the Board shall assign the necessary staff to the Contract School. If the Contract School elects to hire its own clinicians, the Contract School will receive reimbursement, on a quarterly basis, for its
clinicians based on the average cost of salary and benefits for full-time equivalent clinicians employed by the Board. For the 2008-2009 school year, the reimbursement rate is up to $65,000 per year, per full-time equivalent clinician. The maximum reimbursement to the Contract School for full-time equivalent clinicians will be the lesser of the (i) product of the reimbursement rate multiplied by the number of full-time equivalent clinicians at the Contract School or (ii) aggregate sum of the actual salaries and benefits of the clinicians at the Contract School.

4. The Contract School shall hire and pay a salary and benefits for its own qualified Case Manager; however, the Board will provide the Contract School with a stipend for such Case Manager. The amount of the stipend is subject to the terms of the agreement between the Board and the Chicago Teachers Union. The stipend amount for the 2008-2009 school year will be $1,300 per semester.

C. Facilities

If the Contract School operates in a facility that is not owned and maintained by the Board or other City of Chicago agency, the Contract School will receive an additional allocation of $425 per pupil.

D. English Language Learners

For the 2008-09 fiscal year, the Contract School will receive an additional per pupil funding amount of $589 for each eligible English Language Learner ("ELL") student attending the Contract School. For the 2009-10 fiscal year and subsequent years, this ELL per pupil funding amount shall appear in the Final Budget Book adopted by the Board on an annual basis.

E. Categorical Funding

CPS shall use its best efforts to allocate Categorical Funds to eligible Contract Schools to support eligible programs provided to eligible students. The amount of Categorical Funds provided to a Contract School shall be dependent upon the number of eligible students engaged in comparable programs in comparable Chicago Public Schools. Eligibility criteria for Contract Schools, students and programs shall be reviewed and approved annually by both the Board's Chief Education Officer and the Illinois State Board of Education.

Availability of Categorical Funds to a Contract School is conditional upon the amount of governmental funding available, and the Contract School's maintaining continuous reporting, inspections, and audits, the quality of which shall be satisfactory to CPS and other relevant regulatory organizations. The scope and frequency of program reporting shall be
agreed upon by the Contract School and CPS prior to funding the relevant programs.

F. NCLB Title I funds

Federal NCLB funds will be allocated to the Contract School based on a Poverty Index which is calculated using two factors: (1) the number of students qualifying for Federal Free or Reduced Lunch ("FRL") and (2) the number of students receiving Temporary Assistance for Needy Families ("TANF").

The formula for determining the Contract School’s Poverty Index is as follows:

\[
\frac{40\% \text{ of TANF students} + 60\% \text{ of FRL students}}{\text{Total student enrollment}}
\]

Total student enrollment is defined as the Contract School’s attendance on the first Friday in December prior to the start of the relevant school year.

Each year, the Board determines a minimum Poverty Index threshold for Title I eligibility. For the 2007-2008 school year, that threshold was 40%. If the Contract School’s Poverty Index was at least 40%, it shall be eligible to receive NCLB Title I funding for the 2008-2009 school year.

Allocations to the Contract School will be made on a per eligible student basis. The number of eligible students shall equal the numerator from the Poverty Index formula. The per eligible student rate shall begin at $430 and increase by $13 with each percentage point increase in the Contract School’s Poverty Index. Thus, a Poverty Index ranging from 40-40.99% would result in $430 per eligible student; a Poverty Index rating between 41-41.99% will result in $443 per eligible student and so on.

During the first year of operation of a new Contract School, because prior-year data is not available for the new Contract School, such new Contract School shall be assumed to have a Poverty Index of 40% for its opening year if its three neighboring public schools receive Title I funds as well. A new Contract School therefore shall receive a Federal NCLB Funds allocation equal to 40% multiplied by total enrollment multiplied by $430. Enrollment information captured on the first Friday in December of that first school year for the new Contract School will determine the allocation for the new Contract School for its second year.

G. Supplemental General State Aid
The Contract School will receive Supplemental General State Aid ("SGSA") for each student receiving free or reduced-price lunches. Eligible students are counted on the first Friday in December for the following school year, but if the Contract School has a declining or increasing enrollment, its student count will be adjusted on the 20th day of the current school year. To determine the per-pupil SGSA rate, total SGSA funding is divided by the number of all CPS students who are eligible for free or reduced-price lunches. For the 2008-2009 school year, the SGSA per pupil rate for students in grades Kindergarten through twelfth will be $735. The SGSA per pupil rate for students in pre-Kindergarten will be $367.50 for eligible half-day students and $735 for eligible full day students. The Contract School will receive an allocation that equals the SGSA per-pupil rate times the number of students eligible for free or reduced-price lunches.

During the first year of operation of a new Contract School, because prior-year data is not available for the new Contract School, such new Contract School shall be assumed to have a student eligibility for free or reduced-price lunch at a rate of 67%. A new Contract School therefore shall receive a SGSA Funds allocation equal to 67% of its projected enrollment multiplied by $735. Adjustments will be made using data from the student count on the 20th day of the current school year. The allocation will be adjusted for a net increase to reflect the actual number of eligible students with free or reduced priced lunch.

III. Deductions for Other Services Rendered: The Board may offer to provide Contract Schools with certain facility services including building maintenance, technology services, utilities, and safety and security ("Facility Services"). A Contract School located in a CPS building and utilizing the Facility Services will have such charges deducted uniformly from the quarterly payments issued by the Board and such services and charges will be outlined in the lease between the Board and the Contract School. Such charges may be adjusted annually or upon such other terms as set forth in the lease agreement. A Contract School occupying a CPS facility may be required to purchase certain services as described in the Contract School’s lease agreement.
Exhibit C

INSURANCE REQUIREMENTS

1. **Insurance**: The Contract School, at its own expense, shall procure and maintain insurance covering all operations under the Agreement, whether performed by the Contract School or by subcontractors. All insurers shall be licensed by the State of Illinois and rated A-VII or better by A.M. Best or a comparable rating service. The Contract School shall submit to the Board satisfactory evidence of insurance coverage prior to commencement of work under the Agreement and upon request, shall promptly provide a certified copy of any applicable policy of 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 Agreement with limits of not less than Five Hundred Thousand and 00/100 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 Board 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 Liability Insurance**: School Board Legal/Professional Liability Insurance covering the Contract 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 the operation and management of the Contract 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 for full Replacement Cost of property, including Board property for which the Contract School is contractually responsible, by lease or other agreement, 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 Contract 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.

h. **Construction**: The Contract School shall indemnify, defend and agree to save and hold Board harmless from and against all liability, injury, loss, claims, cost, damage and expense with respect to any injury to, or death of, any person, or damage to or loss or destruction of, any property occasioned by or growing out of any construction work on Board property. The Contract School shall not commence any such work until the Board has been provided with insurance certificates evidencing that the Contract School and subcontractors performing such work have in full force and effect adequate insurance as required by the Board’s construction program at the time of the work. Required coverage may include, but is not limited to: workers’ compensation, general liability, professional liability, automobile liability, environmental liability, excess liability, property and builders’ risk insurance. The Contract School's subcontractors are subject to the same requirements as the Contract School in regards to additional insured, rating, notice, etc.

2. **Additional Insured**: The Contract School shall have its general liability insurance and automobile liability insurance policies endorsed to provide that the Board of Education of the City of Chicago, a body politic and corporate, and its members, employees, officers, officials and agents, and any other entity as may be designated by the Board are named as additional insured on a primary basis without recourse or right of contribution from the Board.
3. **Insurance Certificate.** The insurance company, or its representative, shall submit an insurance certificate to the Board evidencing all coverage as required hereunder and indicating the Additional Insured status as required above. The Board will not pay the Contract School for any work if satisfactory proof of insurance is not provided prior to the commencement of services. The Certificate must provide sixty (60) days prior written notice of material change, cancellation or non-renewal be given to:

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Board of Education of the City of Chicago
Office of New Schools
125 S. Clark Street, 5th Floor
Chicago, Illinois 60603
ATTN: Executive Director
```

4. **General** Any failure of the Board to demand or receive proof of insurance coverage shall not constitute a waiver of the Contract School’s obligation to obtain the required insurance. The receipt of any certificate does not constitute an agreement by the Board that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements in the Agreement.

The Contract School’s failure to carry or document required insurance shall constitute a breach of the Contract School’s agreement with the Board. Non-fulfillment of the insurance conditions may constitute a violation of the Agreement, and the Board retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated. The Board will not pay the Contract School for any work if satisfactory proof of insurance is not provided before the commencement of services.

Any deductibles or self-insured retentions on referenced insurance coverage must be borne by the Contract School. Any insurance or self-insurance programs maintained by the Board do not contribute with insurance provided by the Contract School under the Agreement.

All subcontractors are subject to the same insurance requirements of the Contract School unless otherwise specified in this Agreement. The Contract School shall require any and all subcontractors under this Agreement to carry the insurance as required herein and to comply with the foregoing requirements; otherwise, the Contract School shall provide coverage for subcontractors. The Contract School will maintain a file of subcontractors’ insurance certificates evidencing compliance with these requirements.

The coverages and limits furnished by the Contract School in no way limit the Contract School's liabilities and responsibilities specified within the Agreement or by law. The required insurance is not limited by any limitations expressed in the
indemnification language in this Agreement, if any, or any limitation placed on any indemnity in this Agreement that might be given as a matter of law.

The Contract School agrees that insurers waive their rights of subrogation against the Board.

Upon Board request, the Contract School and/or its subcontractors shall promptly provide a certified copy of any applicable policy of insurance. The Board reserves the right to modify, delete, alter or change insurance requirements at any time.