



EdPower

September 2, 2014

Delivered Electronically and by Courier

Ms. Glenda Ritz
Superintendent of Public Instruction
Indiana Department of Education
151 West Ohio Street
Indianapolis, IN 46204

RE: Contract For The Operation of Turnaround Academy,
EDS#A58-3-13OT-0911
Notice of Termination

Dear Ms. Ritz:

Charter for Accelerated Learning, Inc. d/b/a Ed Power (hereinafter "Ed Power") operates Arlington Community High School (hereinafter "Arlington") as a turnaround academy pursuant to the Contract For The Operation of Turnaround Academy, EDS#A58-3-139OT-0911, (hereinafter "the Contract") with the Indiana Department of Education (hereinafter "IDOE").

Ed Power is committed to serving the students at Arlington and improving their educational opportunities. Ed Power assumed responsibility for addressing the academic issues at Arlington in partnership with the IDOE. The Turnaround Academy concept was a new initiative that from the onset all parties agreed might encounter unexpected financial challenges. Ed Power was assured that it would receive funds necessary to operate Arlington, transform the learning environment and achieve our benchmarks. To that end on June 3, 2014, Ed Power petitioned the State Board of Education (hereinafter "SBOE") for relief and requested funds in the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) to operate Arlington during the 2014-2015 school year. At the SBOE Board meeting on June 4, 2014, the Board voted to reduce federal student improvement grant funding ("SIG funding") to the Turnaround Academy Operators, including Ed Power by 15% from the 2013-2014 school year allocation.

Unfortunately, the SBOE's decision to decrease funding will leave Arlington woefully underfunded for the 2014-2015 school year.

Ed Power expected to receive at least One Million Four Hundred Thousand Dollars (\$1,400,000.00) in SIG funding for the 2014-2015 school year. However, now it appears that Ed Power will only receive One Million One Hundred Ninety Thousand Dollars (\$1,190,000.00) in SIG funding. The combination of the SBOE's vote to decrease SIG funding and excessive operational cost which drastically exceed the per pupil allocations creates a substantial deficit. During the SBOE meeting on July 9, 2014, the SBOE considered Ed Power's petition for relief and voted to deny the petition. Furthermore, Ed Power has been informed that additional cuts in SIG funding will likely occur prior to the 2015-2016 school year. Despite the SBOE's inability to provide sufficient SIG funding to operate the school, Ed Power will open and operate Arlington for the 2014-2015 school year. However, as explained to the SBOE at the July 9th meeting the overwhelming operational funding gap exists today and will only continue to grow in the future. The Contract specifically addresses this unfortunate problem by allowing Ed Power to issue a notice of termination.

Section 14(D) of the Contract states in pertinent part: "If TSO Contractor [Ed Power] is unsuccessful in obtaining SIG funds in an amount the TSO Contractor [Ed Power] deems necessary to operate the Turnaround Academy [Arlington], TSO Contractor [Ed Power] may petition the State Board of Education ("SBOE") for relief. In the event the SBOE does not grant the requested relief, TSO Contractor may terminate the Contract. Such termination shall be effective no earlier than 60 days after written notice to IDOE from TSO Contractor [Ed Power] pursuant to Section 31.D. herein."

As a result of the SBOE's denial of Ed Power's petition for relief, the SBOE's decision to reduce SIG funding by 15% and further indications that SIG funding will be reduced again prior to the 2015-2016 school year; Ed Power hereby serves notice to the IDOE of its termination of the Contract effective June 30, 2015 at 5 pm pursuant to Section 14(D). Ed Power will work with the IDOE to effectively assist with the transition of Arlington in a manner that is in the best interest students and parents.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcus C. Robinson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marcus Robinson

Cc: Michelle Gough, Esq.
Bernice Corley, Esq.
Robert Guffin
Jason Kloth