

November 14, 2025

Via Electronic Mail  
ASPIRA Inc. of Illinois  
3013 N. Monticello Avenue  
Chicago, IL 60617  
ATTN: David Rodriguez, Board President  
Email: [drodriguez@aspirail.org](mailto:drodriguez@aspirail.org)

Re: Notice of Financial Irregularities for ASPIRA Early College and Business & Finance

Dear Mr. Rodriguez and the ASPIRA Board Members,

The Office of Innovation and Incubation (I&I), in its capacity as the charter authorizing office for Chicago Public Schools (CPS), is issuing this formal Notice of Financial Irregularities to the ASPIRA Board of Directors.

After a series of financial reviews, meetings, and data analyses conducted between June and October 2025, the District has concluded that ASPIRA's financial practices demonstrate significant deficiencies that jeopardize the organization's fiscal solvency and non-compliance with 105 ILCS 5/27A-5(f) and Section 6 of its Charter Agreement, which require that each charter school:

- Maintain sound financial practices and solvency;
- Demonstrate effective internal controls; and
- Manage public funds responsibly and transparently.

These deficiencies collectively demonstrate a lack of financial proficiency necessary to successfully run a school and a failure of governance.

#### **A. Overestimated Revenue**

ASPIRA's sustained enrollment decline has severely impacted its financial viability. Over the last four years, ASPIRA's network enrollment at the two remaining campuses has decreased by nearly 10% annually, falling from 877 students in SY22 to 571 students in SY26. Despite this ongoing pattern, ASPIRA continued to build annual budgets that failed to align with the clear downward trend in enrollment, resulting in unrealistic revenue assumptions and persistent structural deficits. The FY26 budget submission to I&I in Spring 2025 assumed an enrollment of 698 students with no contingency or risk factor adjustment, a number identical to the prior year's 20th-day count, despite the fact that by June 1, 2025, their enrollment had dropped to 659. As of the 20th day, ASPIRA's enrollment dropped to 571 students - a shortfall of 127 students compared to their submitted budget- and their projected FY26 year-end fund balance fell to (\$3,334,397) with the inclusion of the FY25 negative year-end fund balance.

This failure to accurately forecast and adjust for enrollment decline constitutes fiscal negligence under authorizing standards, as it reflects an absence of data-informed planning and a disregard for the fiscal realities of the network's financial trajectory. It also violates 105 ILCS 5/27A-5(f), which requires maintenance of financial soundness and solvency.

#### **B. Cash Flow Deficits and Overreliance on Advances**

On June 30, 2025, ASPIRA's CEO formally requested a \$550,000 advance on its Quarter 1 payment, citing restricted cash flow and an inability to meet immediate operational obligations. This occurred before the start of the fiscal year and before the completion of the 20th-day enrollment count, suggesting liquidity challenges and deficient financial controls.

CPS reviewed the request and approved a partial advance of \$250,000 to allow the school to make payroll. This advance is compliant with the district's cash management limitations.

This reliance on District advances is not an isolated occurrence; rather, it is part of a broader pattern of fiscal irregularities. It reflects an organization that is reactively managing from crisis to crisis.

### **C. Inability to clarify FY26 Operational Deficit**

Following further review of ASPIRA's financial documentation and cash flow projections, the District remains unclear about the total amount of ASPIRA's deficit for both FY25 actuals and FY26 projections. ASPIRA's reported funding needs have fluctuated significantly, initially referencing shortfalls of \$1.6 million, later \$2.3 million, and now identifying an additional \$5.1 million required to complete the 2025 - 2026 school year.

On November 13, 2025, when prompted by the District to clarify the basis of these shifting requests, ASPIRA's leadership was unable to provide a verified explanation of the delta between prior and current deficit estimates. This lack of transparency and inconsistent reporting has made it impossible for the District to determine the network's actual financial position or the accuracy of its underlying assumptions.

Moreover, ASPIRA's current request for an additional \$5.1 million in funding constitutes an unsubstantiated relief request that would exceed the statutory per-pupil funding limits. This amount represents 130 percent of the Per Capita Tuition Charge (PCTC), well above the allowable range of 97 to 103 percent.

As the District continued to provide additional technical assistance, including a detailed in-person financial review meeting held on November 13, 2025, I&I staff, along with ASPIRA's finance team and leadership, at which time we collectively walked through ASPIRA's financial statements, payroll registers, and an expenditure detail report (that was never submitted to the District), in an attempt to reconcile reported relief amounts. During this working session, it became apparent that ASPIRA's internal representation of its financial position was inconsistent with the supporting documentation and that the operational deficit was overstated by 34%. This finding highlights a fundamental weakness in ASPIRA's internal financial management capabilities. ASPIRA's newest request is for \$(3,866,590.18) to finish FY26. Even with the new request of \$3.8 million, the amount would still represent 120% of the Per Capita Tuition Charge (PCTC), still well above the allowable range of 97 to 103 percent.

### **D. Delay of FY25 Financial and Compliance Audit**

Compounding this uncertainty, ASPIRA has delayed completion of its FY25 audit, and the District was informed on November 13th that submission would be delayed until January 31, 2026. The FY26 Financial and Compliance Audit was initially due on November 3, 2025. In light of the federal government shutdown, which has delayed the release of the 2025 OMB Compliance Supplement, I&I extended the submission deadline to December 1, 2025, for all operators not in the current renewal process. On October 23, 2025, ASPIRA leadership informed I&I, following a discussion in which I&I explained the need for the audit to confirm the organization's year-end fund balance for FY25, that the audit submission would be delayed until

December 30, 2025. Subsequently, during a meeting on November 13, 2025, the ASPIRA team reported that the submission date had been further postponed to January 31, 2026. Once again, these delays were not proactively communicated to I&I but were disclosed only after the district inquired, and I&I does not have confidence that this deadline will be met.

### **E. Ineffective Corrective Action and Inability to Achieve Fiscal Balance**

In a meeting with I&I on September 29, 2025, ASPIRIA leadership disclosed that the closure of Haugan Middle School had not produced the anticipated financial relief due to staffing miscalculations under the CTU-ACTS collective bargaining agreement. ASPIRIA did not account for higher-paid, tenured teachers bumping into other ASPIRA campuses, driving up personnel costs.

Additionally, ASPIRIA implemented a reduction-in-force (RIF) in Fall 2025, achieving estimated cost savings of \$1 million. However, those savings were immediately offset by the Q2 per-pupil overpayment true-up necessitated by ASPIRIA's inflated enrollment projections. At a subsequent meeting on October 23, 2025, ASPIRIA leadership admitted that, even after the RIF, projected FY26 revenues would cover salaries only, with no funding available for essential non-salary operational costs, such as facilities, transportation, and instructional materials.

### **F. Required Corrective Actions**

The District has already requested the following documents and continues to review ASPIRIA's submission:

1. List of individuals affected by the reduction in force, including their role
2. The exact dollar amount of the cost savings caused by the reduction in force
3. A description of how ASPIRIA is restructuring the school day post-reduction-in-force
4. List of vacancies that exist as a result of the reduction in force
5. ASPIRIA's plan to adjust administrative and/or network teams as a result
6. Monthly invoices for all vendors used by the organization
7. Description of grant applications, and the amount for which the applications are made
8. Bank statements dating back to 6/30/2024 and ongoing
9. Revised the monthly budget using the District-provided template
10. Plan to spend the full FY26 grant allocations (context note: ASPIRIA only spent \$594k of \$661.5k in FY25)

As a follow-up to the in-person discussion on November 13, 2025, we request the following:

1. Narrative that explains the identified variances between your internal payroll system, Paycom, the FY26 ASPIRIA Network Budget, as well as the subsequent aforementioned monthly budget projections template.
2. An update regarding the projected submission date of the FY25 Audit.

To ensure that ASPIRIA maintains a level of transparency that would allow I&I to conduct proper oversight activities, starting on December 1, 2025, once the full Reduction-in-Force (RIF) has taken effect:

1. Monthly General Ledger Detail
2. A bi-weekly submission of payroll records, containing staff names (or vacant flags), roles, and the amount paid

Additionally, as a reminder, we require charters to include a financial transparency section on their websites. Make sure the following are posted and updated by December 1, 2025. If this information is not available, indicate that it will be available soon and, if known, when:

1. Post your upcoming Financial Audit on the organization's website and each school's specific website
2. Current CPS Financial Scorecard
3. Budget breakdown of school and network revenue per campus
4. Budget breakdown of school and network expenditures per campus

These documentation requirements are mandatory and represent the minimum evidentiary standards necessary for CPS to validate ASPIRA's financial position, monitor solvency, and determine whether the organization can continue operations through the end of FY26.

Failure to comply in full and on time will trigger enhanced monitoring, restricted funding releases, and potentially a recommendation to initiate probation, revocation proceedings, or non-renewal under 105 ILCS 5/27A-9.

### Conclusion

The absence of the FY25 Audit severely impedes the District's ability to validate ASPIRA's reported balances, expenditures, and liabilities. It has been made clear to ASPIRA leadership that CPS cannot provide any additional funding for FY26 without verification of the FY25 end-of-year fund balance. Until the audit is received and I&I obtains additional clarity regarding ASPIRA's operational deficit, ASPIRA will only receive the level of funding dictated by the methodology outlined in the FY26 CPS Budget Book.

Collectively, these actions reflect a breakdown in fiscal governance, deficient internal controls, and a lack of financial accountability. The District does not have confidence that ASPIRA can sustain operations through the end of FY26 without immediate and significant corrective action. The organization's inability to provide timely audits, clarify its deficit position, or operate within approved budget parameters demonstrates failure to meet generally accepted standards of financial management and potential fiscal insolvency in violation of both 105 ILCS 5/27A-5(f) and Section 6 of the charter agreement.

Please do not hesitate to reach out to us with any questions.

Thank you,



Zabrina Evans  
Executive Director, Office of Innovation & Incubation  
Chicago Public Schools

Cc: Alfonso Carmona, Acting Chief Education Officer, Chicago Public Schools  
Conrad Timbers, Acting Chief Portfolio Officer, Office of Portfolio Management  
Elizabeth Barton, Acting General Counsel, Board of Education of the City of Chicago  
Rochelle Washington, Director of Performance and Accountability, Office of I&I