

**AUTHORIZE ENTERING INTO NEW AGREEMENTS WITH VARIOUS PRIVATE
SPECIALIZED SCHOOLS, AND AUTHORIZE PAYMENTS TO PRIVATE SPECIALIZED SCHOOLS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize entering into new agreements with those private specialized schools listed on Exhibit "A" at a cost not to exceed the aggregate amount of \$118,000,000.00 over a two-year period. Student placements in private specialized schools are made either by the Board directly, by the Department of Children and Family Services (DCFS), by the Department of Mental Health (DMH), or pursuant to court order. Written agreements for these private specialized schools are being negotiated. The Illinois State Board of Education (ISBE) requires private specialized schools and local school districts to execute Nonpublic Facility Placement Contracts for each student being placed in a private specialized school. Whenever possible, the Board has each private specialized school sign a more detailed Private Specialized School Agreement, but executing these separate agreements is not required by law or by the Board. Information pertinent to this program is stated below.

Specification No: 02-250125

VENDORS: See Exhibit "A"

USER: Office of Specialized Services
Citywide School Pupil Support
125 S. Clark Street, 8th Floor
Chicago, IL 60603
Contact: Philip O'Donnell - (773) 553-3403

TERM: The term of the Private Specialized School Agreement for each school listed on Exhibit "A" is for 2 years commencing August 1, 2002 and ending July 31, 2004. Each agreement will have two (2) options to renew for periods of 2-years each.

SCOPE OF SERVICES: Each school will operate educationally and age appropriate programs, administer appropriate tests, develop and use customized Individualized Education Plans (IEP) for each student, provide student progress reports, and will comply with the service requirements specified in their Agreement.

COMPENSATION: Each private specialized school shall be paid the rate identified by the Illinois Purchased Care Review Board, not to exceed, in the aggregate, the sum of \$118,000,000.00 over a two-year period. It is anticipated that costs during the first year will not exceed \$ 58,000,000.00. Each agreement will contain a non appropriation clause and will provide that the Board is not obligated to place any students in vendor's private specialized school(s).

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written contract documents. Authorize the President and Secretary to execute the contract documents. Authorize the Chief Specialized Services Officer to (i) execute all ancillary documents required to administer or effectuate these student placements, the contract documents and any new Private Specialized School Agreements, including but not limited to the Nonpublic Facility Placement contracts required by ISBE; (ii) place students in Private Specialized Schools not included on the attached list on an emergency basis when such placements are warranted by the students' Individual Education Plans, or when such placements are required by court order, by DCFS, or by DMH; and (iii) approve travel reimbursement for parents, guardians, and students making visits as a related service specified in the Individual Education Programs (IEP).

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), this contract is exempt from review because the contract is for tuition payments.

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

FINANCIAL: Charge to Specialized Services Department: \$58,000,000.00 (FY 03)
\$60,000,000.00 (FY 04)

Budget Classifications: 0959-210-014-7073-5560	\$57,875,000.00	-Fund 210-Gen.Ed. (FY 03)
0959-220-771-3821-5510	\$125,000.00	-Fund 220-Fed.Sp.Ed.IDEA (FY 03)
0959-210-014-7073-5560	\$59,875,000.00	-Fund 220-Fed.Sp.Ed.IDEA (FY 04)
0959-220-771-3821-5510	\$125,000.00	-Fund 220-Fed.Sp.Ed.IDEA (FY 04)

Requisition Number: Various

GENERAL CONDITIONS:

Inspector General- Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34 13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

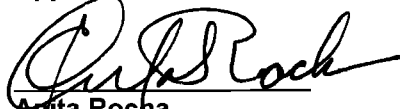
Conflicts- The agreement shall not be legally binding on the Board if entered into in violation of the provisions of ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one-year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

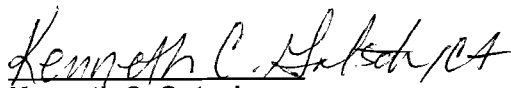
Approved for Consideration:


 Arjita Rocha
 Acting Chief Purchasing Officer

Approved:


 Arne Duncan
 Chief Executive Officer

Within Appropriation:


 Kenneth C. Gotsch
 Chief Fiscal Officer

Approved as to legal form:

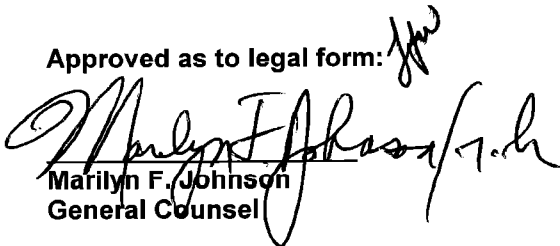

 Marilyn F. Johnson
 General Counsel

EXHIBIT "A"**PRIVATE SPECIALIZED SCHOOLS**

(Therapeutic Day and Residential Schools, and out-of-state Public Schools that ISBE treats as Private Schools for funding purposes)

1. Ada S. McKinley Community Services
2. Allendale Association
3. Alternatives Unlimited Special, Inc. [Chicago Alternatives Learning Academy-North (CALA-North), Chicago Alternatives Learning-South (CALA South), and Chicago Alternatives Transitional Academy]
4. Ariela Joy Frankel Keshet Day School
5. Arlyn Day School Inc.
6. Bancroft NeuroHealth Schools and Communities
7. Bartlett Learning Center
8. Beacon Therapeutic Diagnostic and Treatment Center
9. Blue Island Citizens for Persons with Developmental Disabilities [Blue Cap]
10. Brehm Preparatory School
11. Camelot Schools, LLC
12. Chicago Association for Retarded Citizens (CARC)
13. Chicago Lighthouse for People who are Blind or Visually Impaired
14. Chicago Urban Day School, Inc.
15. Children's Habilitation Center
16. Chileda Institute, Inc.
17. Cleveland Heights University Heights City School District [Bellefaire School is treated by ISBE as a Private Specialized School for funding purposes.]
18. Clinicare Corp.
19. Cunningham Children's House [Cunningham Children's Home]
20. Devereux Texas Treatment Network - League City
21. [Deleted]
22. Easter Seal of Metropolitan Chicago, Inc.
23. Edward Health Services Corporation [Linden Oaks Hospital]
24. Elan Three Corporation
25. Elim Christian School
26. Esperanza Community Services
27. Infinity Schools, Inc.
28. Fulton County Rehabilitation Center, Inc. [Fulton County Rehab Center]
29. Gateway to Learning
30. Genesis Day School Central, Inc.
31. Giant Steps Illinois, Inc. [Giant Steps]
32. Heartspring
33. Heritage Schools, Inc.

34. Hoosier Care, Inc. [Walter Lawson]
35. Jeanine Schultz Memorial School
36. Jewish Children's Bureau of Chicago
37. Kemmerer Village
38. Lad Lake, Inc.
39. Lawrence Hall Youth Services
40. Leslie Shankman School Corporation [Hyde Park Day School]
41. Lester and Rosalie Anixter Center
42. Lt. Joseph P. Kennedy, Jr. School
43. Lutheran Child & Family Services [Lutherbrook Academy]
44. Lutheran Social Services of WI & Upper MI, Inc. [Homme Youth Family Program]
45. MacNeal
46. Marklund Children's Home [Marklund Day School]
47. Maryville Academy
48. Mental Health and Deafness Resources, Inc.
49. The Mill (Motivating Individuals in Learning and Living) [Mill School Day]
50. Misericordia Home South Catholic Charities Archdiocese of Chicago [Misericordia Home South]
51. New Direction Outreach
52. New Horizon Center
53. NewHope Academy, Ltd.
54. North Center for Handicapped Children
55. Northwest Academy Streamwood
56. Oconomowoc Developmental Training Center
57. PACTT Learning Center
58. Pavilion Behavioral Health System [Pavilion Foundation School]
59. Range Memorial Day School
60. Rush Day School
61. Sonia Shankman Orthogenic School
62. South Central Community Services, Inc.
63. Special Education Services, Inc. [Hillside Academy]
64. St. Bernadette's School
65. St. Joseph's Carondelet Child Center [St. Joseph's Carondelet and Solace Academy]
66. [deleted]
67. St. Rose Youth & Family Center
68. Step, Inc.
69. Summit School, Inc.
70. Swann Special Care Center
71. The Achievement Centers, Inc. [Acacia Academy]
72. The Center on Deafness

73. The Children's Connection of Illinois, Inc.
74. The Cove School
75. The Day School
76. The Hope School
77. The Lambs Farm
78. The Larkin Center [The Larkin Group Home]
79. The Lord's Ranch
80. Thresholds
81. Trinity Services, Inc.
82. Uhlich Children's Home [Uhlich Academy]
83. Village Day School
84. West Englewood United Organization Incorporated [Clara's House Academic Center]
85. Willowglen Academy Wisconsin, Inc. [Willowglen Fairview and Willowglen Central]
86. Yellowstone Boys and Girls Ranch
87. Genesis Special Clinic, Inc.