

APPROVE FIRST OPTION TO RENEW THE AGREEMENTS WITH VARIOUS PRIVATE CLUSTER SCHOOLS TO PROVIDE CLUSTER PROGRAM SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the first option to renew the agreements with those Private Cluster School Providers ("Providers") listed on Exhibit "A" at a cost not to exceed the aggregate amount of \$25,000,000.00 for the one-year renewal period. These payments are reimbursed through the Illinois State Board of Education. Providers were selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification number 04-250018). Written renewal documents for these Providers are currently being negotiated. No payment will be made to any Provider prior to the execution of that Provider's written renewal documents. The authority granted herein will automatically rescind as to each Provider in the event a written renewal document for such Provider is not executed within 90 days of the date of this Board Report. Information pertinent to these renewal documents is stated below.

Specification No.: 04-250018**PROVIDERS:** 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

ORIGINAL AGREEMENTS: The original Agreements (authorized by Board Report 04-0825-PR38) for all Providers except for Special Education Services are for a term commencing October 1, 2004 and ending July 31, 2006. Board authorization for Special Education Services was rescinded by Board Report 05-0622-AR1-II-2 because their facility was not yet ready. They were subsequently reinstated as an approved Provider (approved by amended Board Report No. 05-1221-PR20) for a term commencing March 1, 2006 and ending July 31, 2006. These Agreements had an aggregate value of \$50,000,000 for the 2-year term, with the Board having two (2) options to renew each Agreement for periods of one (1) year each.

OPTION PERIOD: The term of each renewal document begins August 1, 2006, and ends July 31, 2007.

OPTION PERIODS REMAINING: Each Agreement has one (1) remaining option period for one (1) year.

SCOPE OF SERVICES: Providers will continue to serve CPS students with emotional disorders in one or more of six Cluster areas designated by the Board. These services will include providing age-appropriate educational programs and IEP-mandated services to the students, and providing programming to prepare students for their successful and timely return to their neighborhood public schools. In addition, Providers will continue to work with CPS schools, community agencies and family groups to build more effective networks of support services and advance a least restrictive environment for the students.

DELIVERABLES: Providers will continue to furnish age-appropriate programs, related services, tests, program notes, HSMP reports, and other reports required by the Office of Specialized Services.

OUTCOMES: Services provided by Private Cluster Schools will enable CPS to continue to achieve the following:

1. Decrease the number of students having a primary classification of "emotionally disturbed" who attend private schools by 800 over the next five years.
2. Develop quality private school resources within each of the six CPS Clusters aligned with the programmatic needs of each Cluster.
3. Establish coordinated, innovative practices between the public schools of a specific Cluster and the assigned Private Cluster School Provider to (a) reduce the referral rate of special education students to private schools; (b) maximize available support services for students and their families; and (c) facilitate the transition of private school students returning to public school.

4. Create a method of payment for private schools that is consistent with maintaining quality education programs, providing appropriate supportive services to students and their families, and returning students to public school.

COMPENSATION: Each Provider will be allocated a certain number of 'Reserved Seats' and will be paid a negotiated rate for these Reserved Seats for each scheduled school day. For any additional students placed at the designated Private Cluster School, each Provider shall be paid the rate identified by the Illinois Purchased Care Review Board, not to exceed, in the aggregate, the sum of \$25,000,000.00 for the renewal period. Each agreement will contain a non appropriation clause and will provide that the Board may increase or decrease the number of Reserved Seats by giving a negotiated number of days written notice.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize the Chief Specialized Services Officer to execute all ancillary documents required to administer or effectuate these student placements and agreements, including but not limited to executing the Nonpublic Facility Placement contracts required by ISBE for each placed student.

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

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

FINANCIAL: Charge to: Citywide/School support - \$25,000,000.00

Budget Classifications: 0966-210-014-7073-5560 \$25,000,000.00 – Fund 210-Gen.Ed. (FY07)

GENERAL CONDITIONS:

Inspector General – Each Party to the agreements 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.

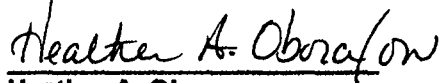
Conflict – The agreements shall not be legally binding on the Board if entered into in violation of the provisions of 105/ILCS 5/34 21.3 which restricts the employment of, or the letting of contracts to former Board Members during the one-year period following expiration or other termination their terms of office.

Indebtedness – The Board of Education 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 agreements.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0727-RU3), as amended from time to time shall be incorporated into and made a part of the agreements.

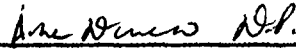
Contingent Liability – The agreements shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form *EA*



Patrick J. Rocks
General Counsel

PRIVATE CLUSTER SCHOOLS

- 1. Banner School, LLC
 9538 S. Harvard
 Chicago, IL 60628
 Contact Person: Eric A. Carlton
 Telephone No. 773-934-2328 Fax No. 773-568-7154
 Vendor No. 20029

- 2. Infinity Schools, Inc.
 5915 Benjamin Center Drive
 Tampa, FL 33634
 Contact Person: O.B.Stander, President Fax: 813/889-8092

 Facility: Infinity School of Chicago South
 4611 S. Ellis Avenue,
 Chicago, IL 60653
 Contact Person: Suzyn Jacobson
 Telephone No. 773-536-5259 Fax No. 773-536-5017
 Vendor No. 22182

- 3. Lawrence Hall Youth Services
 4833 N. Francisco
 Chicago, IL 60625
 Contact Person: Mike Oliver
 Telephone No. 773-769-3500 Ext. 260 Fax No. 773-769-5334
 Vendor No. 39644

- 4. Uhlich Children's Advantage Network
 217 N. Jefferson Street
 Chicago, IL 60606
 Contact Person: Zachary W. Schrantz
 Telephone No. 312-669-8200 Ext. 2487 Fax No. 312-669-1512
 Vendor No. 12392

- 5. Jewish Children's Bureau of Chicago
 216 W. Jackson, Ste. 800
 Chicago, IL 60606
 Contact Person: Julia Mellow
 Telephone No. 312-673-2714 Fax No. 312-553-5531
 Vendor No. 20973

- 6. Special Education Services
 1720 N. Randall Road,
 Aurora, IL 60506
 Contact Person: Kenneth J. Carwell
 Telephone No. 630-990-1720 Fax No. 630-907-0197
 Vendor No. 94937

 Facility: Hillside Academy East Campus

- 7. South Central Community Services
 8316 S. Ellis Ave.
 Chicago, IL 60619
 Contact Person: Gregory E. Amos
 Telephone No. 773-617-5328 Fax No. 773-483-9097
 Vendor No. 35476

06-0524-PR23

8. Beacon Therapeutic Diagnostic and Treatment Center
1912 W. 103rd Street
Chicago IL 60643
Contact Person: Susan Reyna-Guerrero, LCSW
Telephone No. 773-413-6304 Fax No. 773-298-1078
Vendor No. 31488