

**AUTHORIZE THE PARTICIPATION OF CPS IN THE ILLINOIS STATE BOARD OF EDUCATION'S SCHOOL TECHNOLOGY REVOLVING LOAN PROGRAM (STRLP)**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the participation of CPS in the Illinois State Board of Education's State Technology Revolving Loan Program ("STRLP"), and authorize the acceptance of up to six million dollars (\$6,000,000.00) in loan proceeds for Fiscal Year 2001 and up to six million dollars (\$6,000,000.00) in proceeds for Fiscal Year 2002. The loan proceeds will be used primarily to acquire computer hardware and eligible software used for classroom instruction and/or staff development. The loan applications (which for Fiscal Year 2001 is due by March 1, 2001, and for Fiscal Year 2002 is expected to be due by March 1, 2002) require the approval of the Board and the signature of the Chief Executive Officer prior to submission.

**CONTACT:** Illinois State Board of Education ("ISBE")  
Learning Technology Division  
Address: 100 N First Street  
City, State, Zip: Springfield, IL 62777-0001  
Contact Person: Theresa Pederson  
Phone: (217) 782-5439

**USER:** Office of Technology Services  
125 South Clark Street, 3<sup>rd</sup> Floor  
Chicago, Illinois 60603  
Elaine L. Williams, CTO

**DESCRIPTION OF PROGRAM:** For Fiscal Year 2001, CPS will apply to ISBE for a total loan package for grades 9 through 12 in the maximum amount of \$6,000,000.00. For Fiscal Year 2001, these loan proceeds will be used specifically for grades 9 through 12. The loan proceeds will be used primarily to acquire computer hardware and eligible software used for classroom instruction and/or staff development. The proceeds may be used for other authorized purchases, as set forth below. For FY 2002, CPS will apply to ISBE for a total loan package for grades K through 4 in the maximum amount, which is anticipated to be \$6,000,000.00. For Fiscal Year 2002, these loan proceeds will be used specifically for grades K through 4. The loan proceeds will be used primarily to acquire computer hardware and eligible software used for classroom instruction and/or staff development. The proceeds may be used for other authorized purchases, as set forth below. For Fiscal Year 2003, CPS also anticipates applying to ISBE for a total loan package for grades 5 through 8 in the maximum amount, which is estimated to be \$6,000,000.00

**DESCRIPTION OF FINANCING:** Pursuant to Section 2-3.117a of the School Code and 23 IL Admin. Code 575, Subpart B, ISBE is providing loan financing to school districts within the state of Illinois to support purchases of the following: a) equipment and wiring for installing/upgrading local and wide area networks, including network administration software; b) supplies and cost of labor for electrical work directly related to technology; c) computer hardware used for classroom instruction and/or used for staff development; and d) other technology hardware investments that support the integration of technology into the learning environment. The interest rate for this program is 2.5% for Fiscal Year 2001. Although it has not yet been finalized, the interest rate for this program is anticipated to be at a similar rate for Fiscal Year 2002. The length of the loan for each Fiscal Year's borrowing will be for 3 years. Thus, the loan made to the Board in Fiscal Year 2001 will be repaid, in full, in Fiscal Year 2004, and the loan made to the Board in Fiscal Year 2002 will be repaid, in full, in Fiscal Year 2005. Loan repayments will be made quarterly, and the amount of each quarterly repayment will be calculated to achieve level repayments of principal and interest. For the Fiscal Year 2001 loan, the estimated quarterly repayment is \$520,544.50. For the Fiscal Year 2002 loan, the estimated quarterly repayment should be a similar amount, but this amount is contingent on the actual interest rate charged in connection with said loan.

**LSC REVIEW:** LSC approval is not required.

**AFFIRMATIVE ACTION STATUS:** Actual M/WBE participation in this program will be determined when the technology is purchased with the loan proceeds.

**AUTHORIZATION:** Authorize the Chief Executive Officer to execute and submit the STRLP applications for Fiscal Year 2001 and Fiscal Year 2002. Authorize the Chief Fiscal Officer to execute any loan documents required in connection with this program for Fiscal Year 2001 and 2002. Authorize the Chief Technology Officer to administer the proceeds of the STRLP for Fiscal Year 2001 and 2002.

**FINANCIAL: Budget Classification: 0950-491-000-9319-5940**

All purchase orders and payments funded by the loan proceeds will be paid out of this budget line.

Within Appropriation:

Approved:

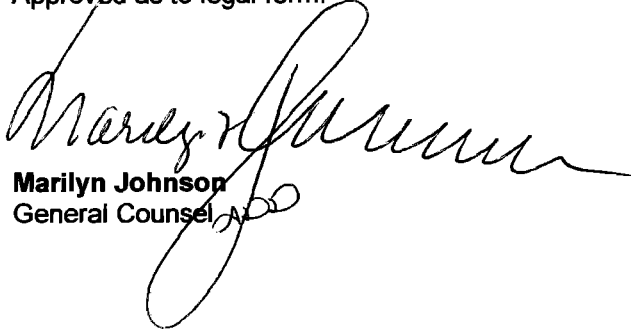


**Kenneth C. Gotsch**  
Chief Fiscal Officer



**Paul G. Vallas**  
Chief Executive Officer

Approved as to legal form:



**Marilyn Johnson**  
General Counsel