

**AUTHORIZE ENTERING INTO AGREEMENTS WITH VARIOUS PRIVATE RESIDENTIAL
SCHOOLS AND APPROVE PAYMENT OF ROOM AND BOARD TO THESE SCHOOLS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize entering into agreements with those private residential schools listed on Exhibit "A" at a cost not to exceed the aggregate amount of \$10,000,000.00 for room and board over a two-year period. These payments are reimbursed through the Illinois State Board of Education. Students with severe disabilities are placed in private residential schools either by the Board directly, the Department of Children and Family Services (DCFS), the Department of Mental Health (DMH), or pursuant to court order. Written agreements for these private residential schools are being negotiated. The Illinois State Board of Education (ISBE) requires private residential schools and local school districts to execute Nonpublic Facility Placement Contracts for each student being placed in a private residential school. Whenever possible, the Board will have each private residential school sign a more detailed Private Residential 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.: 02-250090

PRIVATE RESIDENTIAL SCHOOLS: See Exhibit "A"

USER: Office of Specialized Services
Citywide School Pupil Support
125 S. Clark Street
8th Floor
Chicago, IL 60603

TERM: The term of the Private Residential School Agreement for each school listed on Exhibit "A" is for 2 years commencing July 1, 2002 and ending June 30, 2004. Each agreement will have two (2) options to renew for periods of 2-years each.

DESCRIPTION OF PROGRAM: The Board has placed sixty students in various private residential schools that have been approved by the Illinois State Board of Education. These residential facilities are listed in a publication from ISBE (on file in the Specialized Services Office) and are located throughout the United States and provide educational, vocational and related services to eligible Chicago Public School students. These facilities will implement an individual educational plan ("IEP") for each CPS student addressing and meeting his/her unique and complex needs. Payment is made on the basis of per diem rates established and published by ISBE.

COMPENSATION: Each private residential school shall be paid the rate identified by the Illinois Purchased Care Review Board, not to exceed, in the aggregate, the sum of \$10,000,000.00 for room and board over a two-year period. It is anticipated that costs during the first year will not exceed \$ 5,000,000.00. 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 residential school(s).

DELIVERABLES: Residential facilities will deliver the following to the Office of Specialized Services: Monthly progress reports, annual academic test scores, transcripts for high-school aged students, quarterly report cards and incident reports (when applicable), and Health Services Management Program (HSMP) reports.

OUTCOMES: These Private Residential Schools meet the educational needs of the participating special education students in the least restrictive environment.

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 Residential School Agreements, including but not limited to the Nonpublic Facility Placement contracts

required by ISBE; (ii) place students in private residential 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 payment.

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

FINANCIAL: Charge to: Citywide/School support - \$10,000,000.00
Budget Classification: 0959-220-770-7073-5560 - \$ 5,000,000.00 - FY03
Budget Classification: 0959-220-770-7073-5560 - \$ 5,000,000.00 - FY04
Fund: 220 - Fed - Sp.Ed. - I.D.E.A. Fund

GENERAL CONDITIONS:

Inspector General – Each Party to this 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.

Conflict – The agreement 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 agreement.

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 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:


Anifa Rocha
Acting Chief Purchasing Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Financial Officer

Approved as to Legal Form:

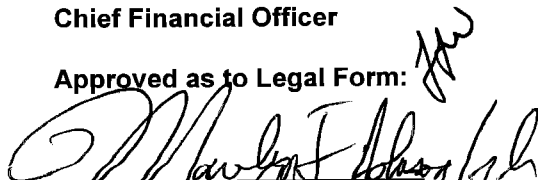

Marilyn F. Johnson
General Counsel

EXHIBIT "A"**PRIVATE RESIDENTIAL SCHOOLS**

1. Allendale Association
2. Alternative Behavior Treatment Centers
3. Bancroft NeuroHealth Schools and Communities
4. Camelot Schools, LLC
5. Children's Home and Aid Society [Rice Children's Center]
6. Chileda Institute, Inc.
7. Clinicare Corp. [Eau Claire Academy, Wyalusing Academy]
8. Cunningham Children's House [Cunningham Children's Home]
9. Devereux Texas Treatment Network - League City
10. Elan Three Corporation
11. Heritage Schools, Inc.
12. Jeanine Schultz Memorial School [Arthur E. Welby Hall]
13. Lad Lake, Inc.
14. Lawrence Hall Youth Services
15. Mental Health & Deafness Resources, Inc.
16. Mill School Day
17. Northwest Academy Streamwood
18. Oconomowoc Developmental Training Center
19. Sonia Shankman Orthogenic School
20. The Lord's Ranch
21. Thresholds
22. Willowglen Academy Wisconsin, Inc. [Willowglen Fairview and Willowglen Central]