

**AUTHORIZE PAYMENT TO ILLINOIS STATE BOARD OF EDUCATION****THE CHIEF FINANCIAL OFFICER RECOMMENDS THE FOLLOWING:**

Authorize payment to the Illinois State Board of Education pursuant to an agreement between the Illinois State Board of Education and the United States Department of Education resolving a dispute regarding Title I, Part A comparability obligations for the 2004-2005, 2005-2006, and 2006-2007 program years

**PAYEE:** Illinois State Board of Education  
ACN: ED-OIG/A05G0033

**HISTORY:** In 2007, the United States Department of Education, Office of Inspector General cited the Illinois State Board of Education for not adequately monitoring the Chicago Board of Education's compliance with the Title I, Part A, Comparability of Services obligations in the 2004-2005 and 2005-2006 program years. A final audit report issued by the United States Department of Education to the Illinois State Board of Education determined that the Chicago Board of Education did not satisfy its Title I, Part A comparability obligations for the 2004-2005 and 2005-2006 program years. The final audit report also asked that the Illinois State Board of Education review the Chicago Board of Education's 2006-2007 program year comparability determinations to ensure compliance and return any funds that represented the amount by which the Chicago Board of Education may have failed to comply with the Title I, Part A comparability requirement for the 2006-2007 program year.

The Illinois State Board of Education and the United States Department of Education have resolved this matter by entering into a settlement agreement. As a result of this agreement, the Chicago Board of Education is required to submit payment to Illinois State Board of Education in the amount of \$1,200,000.00. Pursuant to the terms of the agreement, the Illinois State Board of Education will remit this amount to the United States Department of Education. The Chicago Board of Education has determined that payment will be made in full to avoid subsequent interest payments.

**AUTHORIZATION:** Authorize the Chief Financial Office to remit the payment to the Illinois State Board of Education in full.

**LSC REVIEW:** LSC approval is not applicable to this report.

**AFFIRMATIVE ACTION STATUS:** Not applicable.

**FINANCIAL:** Charge to Local Fund Account # 12670-115-52100-113103-000000.....\$1,200,000.00

**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 105 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 June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

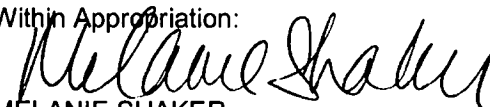
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved:



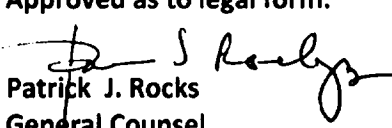
JEAN-CLAUDE BRIZARD  
Chief Executive Officer

Within Appropriation:



MELANIE SHAKER  
Interim Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks  
General Counsel