

**APPROVE SETTLEMENT OF EDUCATE ONLINE APPEAL OF
ILLINOIS BOARD OF EDUCATION ADMINISTRATIVE PROCEEDING**

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve a settlement with Educate Online ("EO," Supplemental Education Services provider) and the Illinois State Board of Education ("ISBE") in an administrative appeal filed by EO before ISBE relating to EO's status as an ISBE-approved SES provider for the Chicago Public Schools.

ENTITY: Educate Online
5627 W.120th Street,
Alsip, Illinois

HISTORY: ISBE issued a corrective action plan to EO for SES services in the 2008-2009 school year. A dispute arose between EO and CPS relating to unpaid invoices for services allegedly provided to certain students in the 2008-2009 school year. ISBE found EO non-compliant and removed EO from the state-approved list of providers for CPS. EO appealed and requested a stay of removal for the 2009-2010 school year, which ISBE granted subject to corrective action plan requirements. EO is in compliance with the corrective action plan for the current year. ISBE did not resolve any issues relating to EO's unpaid invoices.

DESCRIPTION OF SETTLEMENT: The Board, together with EO and ISBE, agree to resolve disputed issues relating to the corrective action plan for the 2008-2009 school year by an agreed consent order imposing a new corrective action plan with tighter controls, greater oversight, and specified action for EO's non-compliance. EO also releases and waives all claims against EO and ISBE in the 2008-2009 school year, including monetary claims based on the unpaid invoices. This settlement does not require any settlement payment by the Board.

AUTHORIZATION: Authorize the settlement and authorize the General Counsel to sign necessary agreed orders to complete the above-described settlement.

LSC REVIEW: Not applicable.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Not applicable.

GENERAL CONDITIONS:

INSPECTOR GENERAL: Each party to any 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.

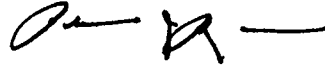
CONFLICTS: The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their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

INDEBTEDNESS: The Board's Indebtedness Policy adopted June 26, 1996, (96-0626-PO3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

ETHICS: The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, is hereby 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,



PATRICK J. ROCKS
General Counsel 

Within appropriation:



DIANA FERGUSON
Chief Financial Officer