

**AUTHORIZE AGREEMENT WITH ILLINOIS STATE BOARD OF EDUCATION
FOR REPAYMENT OF EVIDENCE-BASED FUNDING**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize agreement with Illinois State Board of Education (“ISBE”) to repay Evidence-Based Funding (“EBF”) received by Chicago Public Schools (“CPS”) in error, at an annual cost provided in the Compensation section of this report beginning with School Year 2022-2023 and ending with School Year 2029-2030. During the initial development of the enrollment verification system for EBF, in 2018, a contractor for ISBE made a coding error that affected EBF calculations for fiscal years 2019-2022, resulting in overpayments of EBF dollars to some districts including CPS. The overpayment to CPS totaled \$87,512,939.34 (“EBF Overpayment Amount”). Repayment is required pursuant the State’s fiscal year 2023 Budget Implementation Act, PA 102-0699. A written agreement for repayment is currently being negotiated. No payment shall be made to ISBE prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

VENDOR:

Vendor # 18607
Illinois State Board of Education
Funding & Disbursement Services (E320)
Springfield, IL 62777-0001
Mark Hailer
217-782-2491

USER INFORMATION:

Contact: Law Department
42 W. Madison St.
Chicago, IL 60602
773-553-1700

DESCRIPTION:

In compliance with PA 102-0699, ISBE is recovering the EBF Overpayment Amount from CPS. This agreement sets forth the repayment terms. This agreement is expressly conditioned upon ISBE’s covenant and affirmative promise not pursue any claims, nor take any additional action to collect the EBF Overpayment Amount from CPS; and, CPS’ covenant and affirmative promise not to sue ISBE, or become a party to a lawsuit, on the basis of any claims of any type that arise out of or relate to any aspect of ISBE’s overpayment to CPS of EBF, up to and including the date of execution.

TERM:

The term of this Agreement shall commence upon execution and shall end October 1, 2030. The Board shall have no options to renew this agreement.

COMPENSATION:

ISBE shall be paid as follows: Payments shall be in eight (8) annual installments.

Estimated annual costs for the eight (8) year term are set forth below:

\$10,939,117.40, FY 2023
\$10,939,117.40, FY 2024
\$10,939,117.40, FY 2025
\$10,939,117.40, FY 2026
\$10,939,117.40, FY 2027

\$10,939,117.40, FY 2028
\$10,939,117.40, FY 2029
\$10,939,117.54, FY 2030

No interest will be charged, assessed, or accrued on amounts due. Tender of the final annual installment by CPS shall be considered full and final settlement of all ISBE claims relating to the EBF Overpayment Amount.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

The Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts, (M/WBE Program) is not applicable to the agreement.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115
Unit 12150
\$10,939,117.40, FY 2023
\$10,939,117.40, FY 2024
\$10,939,117.40, FY 2025
\$10,939,117.40, FY 2026
\$10,939,117.40, FY 2027
\$10,939,117.40, FY 2028
\$10,939,117.40, FY 2029
\$10,939,117.54, FY 2030

Not to exceed \$87,512,939.34 for the eight (8) year term.

CFDA#: Not Applicable

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 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, 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 for Consideration:

Approved:

DocuSigned by:
Miroslava Krug
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Miroslava Mejia Krug
Chief Financial Officer

Approved as to Legal Form: ^{DS} ✓

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

DocuSigned by:
Joseph T. Moriarty
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Joseph T. Moriarty
General Counsel