

**INTERGOVERNMENTAL COOPERATIVE AGREEMENT
BY AND BETWEEN THE
ILLINOIS STATE BOARD OF EDUCATION
AND THE
EAST ST. LOUIS SCHOOL DISTRICT #189**

THIS INTERGOVERNMENTAL COOPERATIVE AGREEMENT (this "Agreement") is entered into by and between the Illinois State Board of Education ("ISBE") and the Board of Education of East St. Louis School District #189 (the "District"), both being units of government organized and existing under the laws of the State of Illinois.

W I T N E S S E T H:

WHEREAS, ISBE has identified certain areas where the District can improve its level of compliance with federal and state statutes, regulations and requirements (collectively, "regulatory requirements");

WHEREAS, ISBE and the District believe that a voluntary partnership between the parties to institute additional oversight for District planning and operations will improve the District's compliance with regulatory requirements and is in the best interests of the District and the students it serves;

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, and the Constitution of the State of Illinois allow the State of Illinois and school districts to cooperate together in the performance of their responsibilities by contracts and other agreements; and to exercise jointly any power or powers, privileges, or authority in any manner not prohibited by law; and

WHEREAS, ISBE and the District wish to enter into this Agreement, pursuant to which ISBE and the District shall establish a process for additional oversight of District planning and operations, to aid its administration and achievement of its educational mission.

NOW, THEREFORE, in consideration of the foregoing matters and the promises herein contained, it is mutually agreed by and between the parties hereto as follows:

1. TERM

The term of this Agreement shall commence on the date of execution by both parties and shall continue until June 30, 2014. Thereafter, the term shall automatically be renewed for three additional one year periods (from July 1 to June 30, through June 30, 2017), unless ISBE in its sole discretion determines prior to the expiration of the term that, based upon a review of the District's compliance with regulatory requirements and the terms and provisions of this Agreement, further oversight pursuant to this Agreement is unnecessary for the District to operate in accordance with regulatory requirements and in a manner consistent with the best interests of the students of the District. The term may be extended beyond June 30, 2017 by mutual agreement of the parties.

2. ISBE RESPONSIBILITIES

The State Superintendent will appoint, at the District's expense, a full-time liaison to the District (the "Liaison").

The State Superintendent may, in his discretion, remove the current District Superintendent and hire an interim replacement for the 2011-2012 school year.

ISBE may commission, at District expense, a third-party assessment of District leadership, curriculum and instruction, operations and financial status within 30 days of the signing of this agreement. The State Superintendent shall direct the Liaison to address and incorporate in the Improvement Plans (defined in Section 3) any issues identified in any report resulting from such assessment.

3. LIAISON RESPONSIBILITIES

The Liaison will have the following responsibilities:

- a) Oversee the implementation of all plans developed in accordance with Section 6 of this Agreement (collectively, "Improvement Plans");
- b) Review and approve or disapprove in writing, all proposed personnel, contracting and budgetary decisions of the District or District Superintendent prior to final action by the District or District Superintendent to ensure that such actions are in the best interests of the District, the best interests of the children of the District and consistent with the Improvement Plans. For purposes of this Agreement, (i) personnel decisions include hiring, placement, termination and nonrenewal decisions regarding both certified and non-certified employees, as well as the approval of payroll; (ii) contracting decisions include decisions to procure or enter into any contract, including union contracts or collective bargaining agreements, charter school contracts, grant agreements or other arrangements involving the receipt of funds or the allocation of District resources, and to include any and all expenditure(s) that may be related to any necessary emergency repair work; and (iii) budgetary decisions include all District decisions related to approval of or revisions to the District budget, the accessing of financial resources, the issuance of evidences of indebtedness or the development and/or approval of District tax levies.
- c) Review the continuation of all contracts in effect at the time of signing this Agreement with individuals (other than employees) or entities for services or materials that may require the expenditure of funds now or in the future. Any such contracts not presented by the District or the District Superintendent within 45 days after the signing of this agreement shall be considered null and void to the extent permissible under applicable law.
- d) Initiate and oversee a nationwide search process for a new District Superintendent for the 2012 – 2013 school year, and thereafter should a vacancy occur for the position of District Superintendent during the pendency of this Agreement, and

identify the finalists to be considered by the District for the position of District Superintendent.

- e) Advise the District and the District Superintendent on general operational and administrative matters, and direct the District and the District Superintendent on actions needed to remain in compliance with the Improvement Plans and this Agreement.
- f) From time to time, the State Superintendent may assign to the Liaison such other responsibilities as the State Superintendent deems necessary to fulfill the intent and accomplish the purposes of this Agreement.

4. DISTRICT RESPONSIBILITIES

(a) The District and the District Superintendent shall cooperate with ISBE, its employees, any ISBE Partners, and the Liaison as needed and as requested by the District Superintendent and Liaison with respect to development and implementation of the Improvement Plans and with other aspects of the administration of this Agreement. Throughout the term of this Agreement, the District shall consult and confer with the District Superintendent and the Liaison with regard to decisions and approvals made pursuant to this Agreement. Further, the District acknowledges and agrees that its failure to comply with the terms and provisions of this Agreement and/or cooperate with ISBE, its employees, any ISBE Partners or the Liaison with respect to the administration thereof may result in the removal of the board members in accordance with Section 2-3.25f of the School Code [105 ILCS 5/2-3.25f], Section 3-15.5 of the School Code [105 ILCS 5/3-15.5] and/or any other corrective action by ISBE authorized by the School Code or the No Child Left Behind Act of 2001.

Furthermore, the District acknowledges and agrees that:

- (i) In accordance with Section 3 of this Agreement, and regardless of the monetary amount at issue, neither the District nor the District's Superintendent shall approve any action relating to personnel, contracting or budgeting without the prior written approval of the Liaison.
- (ii) After consultation with and after having obtained written approval from the Liaison, the District Superintendent shall present recommendations on personnel, contracting and budgeting to the District for action at the next upcoming Board meeting or any special or emergency meeting of the Board. The District agrees that the District Superintendent or the Liaison may call special or emergency meetings of the Board when a Board decision is necessary prior to the next regularly scheduled Board meeting. The District shall take action on the recommendations at the Board meeting. In the event the District fails to meet or take the recommended action, the matter shall be referred to the Liaison for resolution pursuant to Section 7 of this Agreement.
- (iii) Within 45 days of the signing of this Agreement, the District shall provide to the Liaison copies of all contracts in effect at the time of signing this Agreement with individuals (other than employees) or entities for services or materials that may require the expenditure of funds now or in the future. Any such contracts not presented within said 45 days, shall be considered null and void to the extent permissible under applicable law. In addition, within 45 days of the signing of this

provision, the District must provide notice of this provision and the information contained in Section 3(c) of this agreement to all individuals (other than employees) or entities with whom they contract or have an ongoing obligation.

- (iv) The District shall provide advice to the Liaison and the State Superintendent on the finalist candidates presented to the District by the Liaison and shall do so within the time frame requested by the Liaison to enable hiring of a District Superintendent for the 2012-2013 school year. The District shall not hire or otherwise enter into a contract with an individual to become superintendent of the District unless and until the District has received written authorization of the State Superintendent to hire or otherwise enter into a contract with such an individual.
- (v) The members of the District's Board shall in no way be involved in the recruitment, hiring or termination of any employees of the District, other than to vote to approve or reject a proposed hiring or termination brought to the District Board upon the recommendation of the District's superintendent.
- (vi) While ISBE is not aware of the members of the District Board possessing any District credit cards, the members of the District Board shall not possess or make any expenditure on any District credit cards. The members of the District School Board shall not make any expenditure without prior written approval and authorization from the Liaison.
- (vii) No later than 30 days after the effective date of this Agreement, and then quarterly throughout the term of the Agreement, the District and the District Superintendent shall provide a written report to the Liaison detailing any pending litigation, the status of each, and the amount already expended defending such litigation. Said report shall also include the names of all attorneys on retainer, their hourly fees, their contracted fees, and copies of any written retainer agreements or contracts. In addition, within 2 business days of receipt of any document pertaining to new litigation, the District or District Superintendent shall notify and provide a copy of the same to the Liaison.
- (viii) The District Superintendent shall not make any expenditure on any District credit cards or otherwise without prior written approval of the District Liaison.

5. ISBE PARTNERS

ISBE may enter into a contract with one or more entities ("ISBE Partner or ISBE Partners") to assist with ISBE's intervention in the District.

6. IMPROVEMENT PLANS

- (a) The Liaison, as the designee of the State Superintendent and in concert with the ISBE, any ISBE Partners, and the Regional Office of Education for St. Clair County, will consult with the District and the District Superintendent to timely develop and implement the following Improvement Plans (such Plans may, in ISBE's sole discretion, build upon any plans recently developed by the District):
 - i) *Instructional Improvement Plans:* Development and oversight of the implementation of new instructional improvement plans for the District as a

whole, and for each individual school building. The instructional improvement plans will address not only increasing the academic achievement of students in the regular curriculum, but also will include a plan for addressing the needs of children with disabilities needing special services. The instructional improvement plans must specify how the District will seek to maximize community and parental involvement in the instructional programs and overall improvement efforts.

- ii) *Staffing Needs Analysis and Plan:* (i) Performance of an analysis of critical staffing needs within the District to support the instructional improvement plans and corrective plan for noncompliance; (ii) development of standards of excellence for staff; (iii) evaluation of current staff and termination of all staff that the Liaison in his discretion determines are unable or unwilling to meet the new standards of excellence established by this Plan and (iv) development of a strategy for attracting candidates and posting positions to meet the District's critical staffing needs, in a manner consistent with this Plans standards of excellence as well as the financial plan.
 - iii) *Plan for Board member training and operational review:* Development of a board member training plan and general operating principles for board/staff roles and interactions.
 - iv) *Corrective Plan for Noncompliance:* Development and oversight of the implementation of a corrective plan addressing the District's noncompliance with any and all regulatory requirements.
 - v) *Financial Plan:* Development and oversight of the implementation of a plan for the financial operation of the District addressing, at minimum, the District's projected revenues and expenditures and a description of the means by which the District's budget will be brought into balance.
 - vi) *Facilities Plan:* Development and oversight of the implementation of a plan for the maintenance, repair and improvement of all District facilities (including, but not limited to, buildings used for instructional and administrative functions, indoor and outdoor recreational facilities, landscaping, parking, and infrastructure related to traffic circulation) and the correction of any violations of the Health Life Safety Code for existing facilities.
- (b) Within ninety (90) days after the signing of this Agreement, the Liaison will complete development of these Improvement Plans, which shall include a timeline for implementation. The timeline for implementation of the Improvement Plans must be approved by the State Superintendent. The Liaison shall oversee compliance with the Improvement Plans and the timelines contained therein.
- (c) If the Improvement Plans were developed prior to the completion of any third-party assessment, the Improvement Plans must be updated within 45 days of receipt of any report resulting from the third-party assessment. Each Improvement Plan must be updated by the Liaison on a semi-annual basis. In addition, on or before June 30 of each year, the Liaison will submit an annual report to the State Superintendent describing (i) the implementation of the Improvement Plans; and (ii) planned activities and objectives of the Liaison for the upcoming fiscal year.

7. **CONTESTED MATTERS**

- (a) Review of District's Proposed Actions and Liaison Recommendations. In the event the Liaison determines any personnel, contracting, or budgetary decision (proposed or otherwise) is inconsistent with the Improvement Plans or this agreement or not in the best interests of the District, the Liaison will make a recommendation to the District Superintendent and District Board that the Liaison deems is consistent with the foregoing standards. If the District refuses to comply with the Liaison's recommendation, the matter will be referred to the State Superintendent for a final determination.
- (b) State Superintendent Review. The Liaison will make a recommendation to the State Superintendent for action on any contested matter. The State Superintendent will either: (i) take action on the contested matter; (ii) request additional information; or (iii) direct the District to further consider the Liaison's recommendation or other alternatives.
- (c) Implementation of Critical Decisions. The Liaison may determine that a proposed action or lack thereof by the District on a personnel, contracting or budgetary decision is critical to the achievement of the objectives of the Improvement Plans, compliance with regulatory requirements, or otherwise is in the best interests of the District. In such event, the Liaison shall seek the cooperation of the District to implement such action in accordance with District procedures and this Agreement. In the event the District is unable or unwilling to take action within a timeframe that allows the achievement of the objectives of the Improvement Plans, compliance with regulatory requirements, or any other action deemed by the Liaison to be in the best interests of the District, the Liaison may refer the matter directly to the State Superintendent for action on behalf of the District.
- (d) Final Actions. All final actions taken by the State Superintendent in accordance with this Section shall be binding upon the District to the same extent as if such action was approved by the District Board.

8. **TERMINATION BY ISBE**

At any time during the term, ISBE may elect to terminate this Agreement upon sixty (60) days prior written notice to the District in the event ISBE determines, in its sole discretion, the Agreement is not serving the best interests of the students of the District.

9. **GENERAL PROVISIONS**

- a) This Agreement shall be governed by, subject to and construed under the laws of the State of Illinois without regard to its conflicts of law provisions.
- b) No waiver of any breach of this Agreement shall be held as a waiver of any other or subsequent breach.
- c) This Agreement may be signed in counterparts, which shall together constitute the original Agreement. Signatures received by facsimile by either of the parties shall have the same effect as original signatures.

- d) This Agreement, including the rights, benefits and duties hereunder, shall not be assignable by either party without the prior written consent of the other party.
- e) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any other negotiations, agreements and understandings, whether written or oral.
- f) ISBE and the District represent and warrant to each other that this Agreement has been duly authorized, executed and delivered by and on their behalf, and constitutes the legal, valid and binding agreement between ISBE and the District.
- g) The District shall maintain and make available to ISBE or its designee all records and other information collected, gathered, obtained or otherwise received by the District pertaining to this Agreement and the administration of the District. Books and records required to be maintained under this Agreement shall be available for review or audit by representatives of ISBE, including the Liaison, and other governmental entities with monitoring authority upon reasonable notice and during normal business hours. The District shall cooperate fully with any such review or audit. The District will provide notice to the Liaison of all District board meetings, and allow the Liaison to attend all closed sessions of the District Board.
- h) This Agreement may be amended only by a written instrument signed by all parties hereto.
- i) This Agreement shall supersede any and all provisions of any District-adopted policy or regulation that may be in conflict with the terms and provisions of this Agreement.
- j) The parties agree to execute such documents and take such action as shall be reasonably requested by the other party to confirm or clarify the intent of the provisions of this Agreement and to effectuate the agreements herein contained.
- k) In the event that any provision of this Agreement or the application thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law. Any actions to enforce this Agreement shall be brought in the Circuit Court of Sangamon County, Illinois.
- l) Any notice, demand or request from one party to the other party shall be deemed to have been sufficiently given or served for all purposes if, and as of the date, it is delivered by hand, overnight courier, facsimile (with confirmation) or within

three (3) business days of being sent by registered or certified mail, postage prepaid, to the party at the following addresses:

If to the District: Superintendent
East St. Louis School District No. 189
1005 State Street
East St. Louis, IL 62201

and

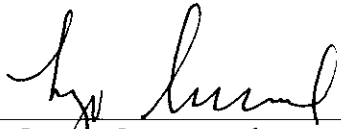
Garrett P. Hoerner
Becker, Paulson, Hoerner & Thompson, P.C.
5111 West Main Street
Belleville, IL 62226

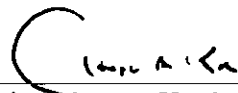
If to ISBE: General Counsel
Illinois State Board of Education
100 North First Street
Springfield, IL 62777

IN WITNESS WHEREOF, the parties have made and entered into this Agreement as of the dates written below.

EAST ST. LOUIS SCHOOL
DISTRICT NO. 189

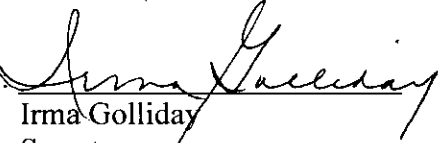
ILLINOIS STATE BOARD OF
EDUCATION


By: 
Lonzo Greenwood
President

By: 
Christopher A. Koch, Ed.D.
State Superintendent of Education

Date: 5/12/11

Date: 5-24-11

Attest: 
Irma Golliday
Secretary

Approved: 
Darren Reisberg
General Counsel

Date: 5/12/11

Date: 5/23/11