



## MEMORANDUM

To: Board of Education and Administration  
From: Rob Grossi and Mark Sheahan  
Date: May 4, 2020  
Re: Transportation Contract Amendment with Lakeview

The Illinois State Board of Education is strongly encouraging school districts to continue to pay their transportation providers for the remainder of the school year despite the fact that students are not being transported during this shutdown period. To encourage such action, Governor Pritzker has declared an executive order whereby ISBE will reimburse expenses made during the shutdown in the same percentage that existed prior to the shutdown. For Oak Park School District 97, that means that approximately 70% of transportation costs related to special education would be reimbursed by ISBE and basically 0% of regular transportation expenses would be reimbursed, since few of the District's routes are eligible for reimbursement.

I have surveyed and spoken with approximately 30 school districts and all have indicated that they have or are intending on paying some amount to their transportation providers. Most schools have paid between 80%-85% of both the likely special education and likely regular transportation bills throughout the remainder of the school year.

Initially Lakeview had requested 85% payments of both their special education and regular transportation costs to be paid by Oak Park District 97. After considering the low State reimbursement percentages on the payment, this would have cost the District approximately \$500,000 of their own dollars. Given the uncertain financial impact of COVID-19 on the District, I could not in good faith recommend the acceptance of the request to the Board.

I have had several conversations with Lakeview for a more reasonable proposal. The conversations were productive. I expressed our recognition of this crisis on Lakeview's financial condition and Lakeview recognizes the challenges we face as well.



We have agreed in principal, subject to Board approval, to an offer whereby (1) the District would pay Lakeview \$400,000 for special education transportation. This represents less than 50% of the expected bill for the remainder of the fiscal year. It is expected that the District will receive \$280,000 in reimbursement from the State, so the District would be using \$120,000 of its own funds. As a part of the agreement, Lakeview would commit to providing credits to future bills in the amount of the funds for which the District is not reimbursed in order to make the District whole. (2) The District and Lakeview agree that we will not pay any money to Lakeview for regular transportation expenses, since the District would not be reimbursed by the State.

In order to get reimbursed for these expenses, ISBE does require an amendment to the contract. Matt Gardiner from Robbins Schwarz has drafted the amendment and Lakeview has reviewed and agreed to execute the offer should the Board of Education approve. I appreciate Lakeview's willingness to negotiate this agreement. This agreement, along with the Board of Education approving the proposal from Lakeview for services over the next three years sets up the framework for a strong, collaborative working arrangement that should be beneficial for all parties.

The Administration recommends that at the May 12, 2020 meeting, the Board of Education approve this amendment to its current agreement with Lakeview for payments related to the 2019-20 school year pursuant to a recommendation from the Illinois State Board of Education, through guidance from the Governor's Office and through negotiations with Lakeview.

If you have any questions or desire any additional information or clarity, please contact Dr. Kelley and I will respond accordingly.