

August 27, 2003

**AUTHORIZE CONTINUED RETENTION OF THE LAW FIRM
FOLEY & LARDNER**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Continued retention of the law firm Foley & Lardner.

DESCRIPTION: The General Counsel previously engaged the law firm Foley & Lardner to represent the Board in litigation filed by the Chicago Teachers Pension Fund concerning alleged deficiencies in payments made to the Fund by the Board for the benefit of certain categories of employees. Active settlement negotiations are underway in this litigation. In addition, the firm is utilized on an ongoing, as-needed basis to provide legal consultation and opinions regarding pension and tax issues that arise in connection with the Board's financial transactions. Additional authorization for the firm's services are requested in the amount of \$50,000. As invoices are received, they will be reviewed by the General Counsel and, if satisfactory, processed for payment.

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

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: Charge \$50,000.00 to Law Department - Legal and Supportive Services - Professional Services:
Budget Classification Fiscal Year 2004 0014-210-000-1011-5410

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 July 26, 1995, (95-0726-EX3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

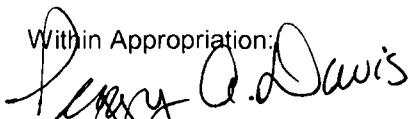
Ethics - The Board's Ethics Code adopted September 27, 1995, (95-0927-RU3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

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,


RUTH M. MOSCOVITCH
General Counsel

Within Appropriation:


PEGGY A. DAVIS
Chief of Staff