

AUTHORIZE ENTERING AN AGREEMENT WITH THE COLLECTION FIRM HARRIS AND HARRIS**THE GENERAL COUNSEL AND CHIEF FINANCIAL OFFICER REPORT THE FOLLOWING DECISION:**

Authorize entering an agreement with the collection firm of Harris and Harris to collect outstanding receivables and debt due to the Board, including but not limited to, tuition for educational and day care services, judgments obtained by the Law Department, and non-sufficient-funds checks tendered to the Board, and will refer ancillary collection litigation to the law firm of Arnold Scott Harris at the direction of the General Counsel. A written agreement for these services is being negotiated. No services shall be provided and no payments shall be made before the execution of a 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.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: There is no charge to any Board account. The Board will enter into a contingency retainer agreement with Harris and Harris. Harris and Harris shall retain 22% (twenty-two percent) of any monies collected on the Board's behalf. Harris and Harris shall collect their fee (22%) from the debtor and pay the Board the remaining 78% (seventy-eight per cent). Harris and Harris will be responsible for all fees paid to the law firm of Arnold Scott Harris.

PERSONNEL IMPLICATIONS: None.

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.

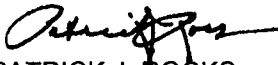
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.1 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their 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,


PATRICK J. ROCKS
General Counsel *WJM*

WITHIN APPROPRIATION:


PEDRO MARTINEZ
Chief Financial Officer