

**RESCIND BOARD REPORTS 04-0623-PO4 AND 10-0526-RS14
AND ADOPT A NEW CODE OF ETHICS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board rescind Board Reports 04-0623-PO4 and 10-0526-RS14 and adopt a new Code of Ethics.

PURPOSE: The Chicago Board of Education is committed to ensuring that Board Members, Local School Council members, and Officials and Employees act in the highest ethical manner in order to preserve the public trust of residents and taxpayers. Further, it is essential to set a good example for and act in the best interest of Chicago Public School students. In order to meet these imperatives, the following ethical standards have been established.

The proposed changes are recommended to comply with legal developments, make the Code consistent with practice, and more effectively address issues commonly presented to the Ethics Advisor.

POLICY TEXT:

I. Applicability

This Code of Ethics applies to all Officials, Employees, and Board Contractors as these terms are defined below.

II. Definitions

Whenever used in this Code of Ethics:

- A. "Abstain" means to refrain from voting.
- B. "Board" means the Board of Education of the City of Chicago and all entities operated by the Board of Education, including all schools, area offices, departments, and other business units.
- C. "Board Contractor" or "Board Vendor" means any Person or Legal Entity (including agents or employees acting within the scope of their employment) Doing Business or seeking to Do Business with the Board whether or not pursuant to a contract.
- D. "Board Member" means a member of the Chicago Board of Education.
- E. "Business Relationship" means any contract or other transaction between an Official or Employee and any other Person or entity which entitles the Official or Employee to compensation or payment in the amount of \$2,500 or more in a calendar year.

Business Relationship **shall not** include:

- 1. Any interest resulting from an Official or Employee's Spouse, Domestic Partner, or Partner to a Civil Union's independent occupation, profession, or employment;
- 2. Any ownership through purchase or inheritance of less than one percent of the shares (regardless of the value of or dividends on the shares) of a Corporation, corporate subsidiary, parent, or affiliate, when the shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, 15 U.S.C. §78 et al. as amended;

3. The authorized compensation paid to an Employee for his or her Board employment;
 4. Any economic benefit provided equally to all members of the general public;
 5. A time or demand deposit in a financial institution, e.g., certificate of deposit or bank account; or
 6. An endowment, insurance policy, or annuity contract purchased from an insurance company.
- F. "Campaign for Elective Office" or "Campaigning for Elective Office" means any effort to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office, office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors.

Campaign for Elective Office **does not** include activities:

1. Relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in the Lobbyist Registration Act, 25 ILCS 170/2);
 2. Relating to collective bargaining; or
 3. Otherwise in furtherance of the Official or Employee's Board duties.
- G. "Candidate for Elective Office" means a Person who has filed nominating papers or petitions for nomination for election to an elected office, or who is otherwise eligible for placement on the ballot in a primary, special, or general election.
- H. "Charter School" means an attendance center authorized pursuant to the Illinois Charter Schools Law. 105 ILCS 5/27A.
- I. "Chicago Board of Education" means the governing body of the Board of Education of the City of Chicago.
- J. "Confidential Information" means any information that is not subject to disclosure under the Freedom of Information Act, 5 ILCS 140 et al.
- K. "Contract Management Authority" means personal involvement in or direct supervisory responsibility for the formulation or execution of a contract. This includes, without limitation, the preparation of specifications, evaluation of bids or proposals, negotiation of contract terms, and supervision of contract performance.
- L. "Contract School" means "an attendance center managed and operated by a for-profit or not-for-profit private entity retained by the [B]oard to provide instructional and other services to a majority of the pupils enrolled in the attendance center." 105 ILCS 5/34-1.1.
- M. "Corporation" means a legal business structure that establishes the business as a separate entity from the owner(s) or members.
- N. "Do Business," "Doing Business," "Does Business," or "Done Business," means any one or any combination of sales, purchases, leases, or contracts to, from, or with the Board in an amount in excess of \$10,000 in any 12 consecutive months.

- O. "Domestic Partner(s)" or "Domestic Partnership" means individuals who are:
1. At least 18 years of age;
 2. The same sex;
 3. Unmarried (single, divorced, or widowed) and not a Partner to a Civil Union;
 4. Responsible for each other's common welfare;
 5. Residing in the same residence;
 6. Not related by blood closer than would bar marriage in the State of Illinois; and
 7. Satisfy two of the following additional requirements:
 - a. Have been residing together for at least 12 months;
 - b. Have common or joint ownership of a residence;
 - c. Jointly own a motor vehicle, credit account, checking account, or residential lease; or
 - d. One or both partners have declared the other as the primary beneficiary on his or her will.
- P. "Economic Interest" means that an Official or Employee or his or her Spouse, Domestic Partner, Partner to a Civil Union, Relative, or a Member of his or her Household:
1. Is the proprietor of a sole proprietorship;
 2. Owns a five percent or greater interest in any class of stock of a Corporation by vote or value; partnership; firm; enterprise; franchise; organization; holding company; joint stock company; receivership; trust (or beneficial interest in a trust); or any Legal Entity organized for profit;
 3. Is an officer or director of a For-Profit Corporation, general or managing partner of a partnership, or the trustee of a trust;
 4. Owns any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500 per year; or
 5. Owns any interest with a cost or present value of \$5,000 or more.

Economic Interest **shall not** include:

1. Any interest of the Official or Employee's Spouse, Domestic Partner, or Partner to a Civil Union which is related to the Spouse's, Domestic Partner's, or Partner to a Civil Union's independent occupation, profession, or employment;
2. The authorized compensation paid to an Official or Employee for his or her office or employment;
3. Any economic benefit provided by the Board equally to all members of the general public;
4. Time or demand deposit in a financial institution;
5. An endowment, insurance policy, or annuity contract purchased from an insurance company;
6. Compensation for property taken for use by the Board pursuant to the eminent domain power;
7. Monetary interests or other rights obtained by Employees through a collective bargaining agreement or state and federal law; or
8. Any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a Corporation, or any corporate subsidiary, parent, or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, 15 U.S.C. §78 et al. as amended.

- Q. "Employee(s)" means any Person working for the Board as an officer, teacher, principal, assistant principal, certified administrator, educational support personnel, or miscellaneous employee, regardless of classification and regardless of whether employed on a full-time or part-time basis.
- R. "Fiduciary Duty" means an obligation to act in the best interests of the Board and the public by avoiding conflicts of interest and acting in good faith.
- S. "For-Profit" means establishing, maintaining, or Doing Business for the purpose of making a profit.
- T. "Gift(s)" means anything of value given without payment or other consideration.
- U. "Legal Entity" means any Corporation, partnership, or organization, whether or not operated For-Profit, and regardless of its form.
- V. "Local School Council" means an elected Local School Council, appointed Local School Council, or Board of Governors.
- W. "Member of his or her Household" or "Member of their Household" means anyone living in the same residence as an Official or Employee, whether or not the individual meets the definition of a Relative.
- X. "Not-For-Profit" means establishing, maintaining, or Doing Business for purposes other than making a profit.
- Y. "Official(s)" means Board Members and Local School Council members.
- Z. "Partner(s) to a Civil Union" or "Partnership to a Civil Union" means two Persons, of either the same or opposite sex, who have established a legal relationship pursuant to the Illinois Religious Freedom Protection and Civil Union Act, Public Act 096-1513 (as effective June 1, 2011). Persons who legally entered into a civil union, marriage, or substantially similar legal relationship in another jurisdiction, other than common law marriage, are recognized under this Code as Partners to a Civil Union.
- AA. "Person(s)" means any individual.
- BB. "Political Activity" or "Political Activities" means any of the following:
1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
 2. Soliciting contributions, including but not limited to, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
 3. Purchasing tickets for any political fundraiser, political meeting, or other political event.
 4. Planning the solicitation of campaign contributions.
 5. Preparing any document or report regarding campaign contributions.
 6. Planning, conducting, or participating in a public opinion poll or survey in connection with a Campaign for Elective Office, on behalf of a political organization, or for or against any referendum question.
 7. Assisting at the polls on Election Day on behalf of any political organization, Candidate for Elective Office, or for or against any referendum question.

8. Soliciting votes on behalf of a Candidate for Elective Office, political organization, or for or against any referendum question or helping in an effort to get voters to the polls.
9. Initiating, preparing, circulating, reviewing, or filing any petition on behalf of a Candidate for Elective Office or for or against any referendum question.
10. Making contributions to any Candidate for Elective Office.
11. Preparing or reviewing responses to candidate questionnaires in connection with a Campaign for Elective Office or on behalf of a political organization.
12. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any Candidate for Elective Office or for or against any referendum question.
13. Campaigning for any Elective Office or for or against any referendum question.
14. Managing or working on a Campaign for Elective Office or for or against any referendum question.
15. Serving as a delegate, alternate, or proxy to a political party convention.

CC. "Recuse" means to remove oneself from participation to avoid a conflict of interest.

DD. "Relative(s)" means a Person who is a Spouse, Domestic Partner, Partner to a Civil Union, child, step-child, parent, step-parent, grandparent, grandchild, sibling, step-sibling, half-sibling, parent-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, great-aunt, uncle, great-uncle, niece, nephew, or first cousin and shall include any similar relationship created by blood, legal adoption, in loco parentis status, marriage, Domestic Partnership, Partnership to a Civil Union, or parenting relationship.

EE. "Secondary Employment" means any non-Board employment or activity for which an Employee receives any type of remuneration.

FF. "Spouse" means a husband or wife of an Official or Employee (pursuant to valid marriage license and/or certificate) who is not divorced from the Official or Employee.

GG. "Supervisor" means an Employee who has the authority, in the interest of the Board, to hire, transfer, suspend, layoff, recall, promote, discharge, direct, reward, or discipline Employees, to adjust their grievances, or to effectively recommend any of those actions, if the exercise of that authority requires the consistent use of independent judgment. The presence of one of these functions is sufficient to determine that an Employee is a Supervisor.

HH. "Supervisory Relationship" means any relationship where an Employee exercises the functions of a Supervisor as defined above. The principal and the assistant principal(s) at each school are presumed to have a Supervisory Relationship with all school staff.

III. Ethics Advisor

- A. The Chief Executive Officer, with the advice and consent of the Chicago Board of Education, shall designate an Ethics Advisor for the Board.
- B. The Ethics Advisor shall provide guidance to the Officials and Employees of the Board concerning the interpretation of and compliance with the provisions of this Code of Ethics and State ethics laws. This guidance may include the issuance of written rules, guidelines, or opinions.

IV. Fiduciary Duty

At all times in the performance of their public duties, Officials and Employees of the Board owe a Fiduciary Duty to the Board and to the taxpayers of the City of Chicago and the State of Illinois.

V. Use of Board Property and Funds

Board property and funds shall be used only for Board purposes and in the manner specified or directed by the Board. No Official or Employee shall engage in or permit the misuse of Board property or funds.

VI. Nepotism

- A. No Official or Employee shall hire or appoint his or her Relative at any Board facility.
- B. No Official or Employee shall attempt to influence the hiring or appointment of his or her Relative at any Board facility.
- C. No Official or Employee shall hire or appoint any Person in exchange for, or in consideration of, the hiring or appointment of his or her Relative by any other Official or Employee.
- D. No Official or Employee may hire any Person to a position in which that Person would supervise or evaluate a Relative.
- E. No Official or Employee may transfer any Person to a position in which that Person would supervise or evaluate a Relative.
- F. No Official or Employee may supervise a Relative, with the following exception:

If an Official or Employee becomes a Relative of another Person over whom he or she already had supervisory authority, the Supervisory Relationship must be discontinued as soon as possible, but no later than 90 calendar days for Central Office and Area Office Employees or the end of the school year for school-based Employees.
- G. No Person may accept an appointment as a principal at a school in which a Relative of that Person is employed or is a member of the Local School Council.
- H. No Person, otherwise eligible, shall stand for election or accept an appointment to a Local School Council of a school in which that Person's Relative is the principal.
- I. No Local School Council member may recommend or advocate any personnel action involving any of his or her Relatives employed at the school where he or she serves. No Local School Council member may recommend or advocate a contract with a Relative or entity employing a Relative. If the Local School Council member has a Relative who is employed at the school, or has a contractual relationship with the school at which the Local School Council member serves, the Local School Council member shall Abstain from voting on approval of the entire budget and the entire school improvement plan. Additionally, the Local School Council member must Abstain from voting on any transfer of funds that may affect the Relative.
- J. When an Official or Employee exercises Contract Management Authority over a contract with any Legal Entity, he or she shall not assist his or her Relative in securing a contract or employment with that entity. No Official or Employee shall use or permit the use of his or her position to assist any Relative in securing employment or contracts with any Legal Entity over whom the Official or Employee exercises Contract Management Authority. If a Relative of the Official or Employee secures employment, or obtains a contract with the

Legal Entity while the Official or Employee exercises Contract Management Authority, it shall be presumed that this Code Section has been violated, unless proven otherwise.

VII. Economic Interest in Contracts and Board Work - Board Members

- A. A Board Member who knows or has reason to know that he or she has an Economic Interest in the name of any Person or any other Legal Entity with a contract, work, business, or sale authorized by action of the Chicago Board of Education shall:
 - 1. Disclose such Economic Interest publicly at a Board meeting prior to any vote being taken on the matter;
 - 2. Recuse himself or herself from any participation or discussion of the matter; and
 - 3. Abstain from voting on the matter.
- B. Unless sold pursuant to a process of competitive bidding following public notice, no Board Member shall have an Economic Interest in the purchase of any property that belongs to the Board or is sold by the Board through legal process.

VIII. Economic Interest in Contracts and Board Work - Employees

- A. No Employee shall have an Economic Interest in any of the following regardless of expense, price, or consideration:
 - 1. Contracts with the Board;
 - 2. Work or business of the Board; or
 - 3. Sale of any article to the Board either paid with funds belonging to or administered by the Board, or authorized by action of the Board.
- B. Unless sold pursuant to a process of competitive bidding following public notice, no Employee shall have an Economic Interest in the purchase of any property that belongs to the Board or is sold by the Board through legal process.

IX. Economic Interest and Conflicts of Interest - Local School Council Members

- A. No Local School Council member shall have an Economic Interest in any contract, work, or business of the school in which he or she serves.
- B. No Local School Council member shall have an Economic Interest in the sale, purchase, or lease of any article for which the expense, price, or consideration is paid by his or her Local School Council, or by the school in which he or she serves.
- C. No Local School Council member shall be an employee of a third party which compensates the member to work at the school where he or she serves on the Local School Council.
- D. No Parent or Community Local School Council member shall receive any form of remuneration or parent stipend from his or her school, except that the Board may provide reimbursement to Local School Councils members for reasonable and necessary expenses (excluding lodging or meal expenses) incurred in the performance of his or her duties when authorized pursuant to Illinois School Code, 105 ILCS 5/34-2.2(b).
- E. A teacher representative on a Local School Council who intends to apply for the principalship of the school in which he or she serves as a council member shall Recuse himself or herself and Abstain from voting on the question of whether the current principal's contract shall be renewed. If a teacher representative on a Local School

Council votes on the question of whether the present principal's contract shall be renewed, and if the Local School Council votes not to renew the contract of the present principal, the voting teacher representative shall be ineligible to apply for that vacancy.

- F. A teacher representative who intends to apply for the principalship of the school in which he or she serves as a Local School Council member must resign from his or her Local School Council prior to the start of the selection process for the principalship. Any teacher representative who does not resign from his or her Local School Council prior to the start of the principal selection process shall be ineligible to apply for the position of principal at that school.
- G. Where a Local School Council member or his or her Spouse, Domestic Partner, or Partner to a Civil Union, sits on the board of a Not-for-Profit entity which donates funds or services to any school at which the Local School Council member serves, the Local School Council member shall Recuse himself or herself and Abstain from any vote or discussion on any proposal from that Not-for-Profit.

X. Contract Management Authority

An Employee who exercises Contract Management Authority regarding any Board business or transaction shall not exercise such authority in connection with:

- A. Board business with an entity in which the Employee has an Economic Interest;
- B. Board business with a Person or entity with whom the Employee has an employment relationship; or
- C. Board business with a Person or entity with whom the Employee has a Business Relationship.

XI. Conflicts of Interest

- A. No Official or Employee shall make, participate in making, or in any way attempt to use his or her position to influence any Board decision or action in which he or she knows or has reason to know that he or she has any Economic Interest distinguishable from that of the general public.
- B. No Employee shall recommend, retain, or hire as an Employee or a Board Vendor any Person or entity with whom the Employee has a Business Relationship.
- C. Employees are permitted to serve with compensation on the boards of directors of corporate entities that are not Doing Business with the Board or seeking to Do Business with the Board. This service will be deemed Secondary Employment and requires written approval from the appropriate Supervisor as outlined in Section XIII(C).
- D. Board Members are permitted to serve without compensation on the boards of Not-for-Profit Corporations, provided that Board Members file a statement of their participation on the Not-for-Profit board with the Secretary of the Board. Any Board Member sitting on a board of a Not-for-Profit Corporation shall Recuse himself or herself and Abstain from any vote or discussion related to the Not-for-Profit Doing Business with the Board, seeking to Do Business with the Board, or donating funds or services to the Board.

- E. Employees are permitted to serve without compensation on the boards of Not-for-Profit Corporations. If the Employee knows or has reason to know that the Not-for-Profit is Doing Business or seeking to Do Business with the Board, the Employee must seek approval from the Ethics Advisor for his or her participation on the Not-for-Profit board. Any Employee sitting on the board of a Not-for-Profit Corporation shall Recuse himself or herself and Abstain from any vote or discussion related to the Not-for-profit Doing Business or seeking to Do Business with the Board.
- F. Nothing in this Section shall apply to any Board Member appointment to the Public Building Commission or appointments to government boards made pursuant to law.
- G. Charter or Contract School operators holding charter or contract agreements with the Board are in a unique relationship with the Board. Membership on a Charter or Contract School operator's governing board creates an inherent conflict of interest for Officials and Employees. Officials and Employees and their Spouses, Domestic Partners, Partners to a Civil Union, or other Members of their Household, are therefore prohibited from sitting on the governing board of either:
 - 1. A Charter School operator that holds a charter issued by the Board; or
 - 2. A Contract School operator that holds a Contract School agreement issued by the Board.
- H. Representation of Other Persons
 - 1. No Official or Employee may represent or have an Economic Interest in the representation of any Person or entity other than the Board in any formal or informal proceeding or transaction before the Board or any of its committees. Nothing in this Section shall preclude:
 - a. Any Employee from performing the duties of his or her employment; or
 - b. Any Official from appearing without compensation before the Board or any Board committee in the course of his or her duties as an Official; or
 - c. Any Official or Employee from representing the interest of his or her child in a due process or similar proceeding provided that the Official or Employee comply with any other Board Rules or Policies which are applicable to that proceeding.
 - 2. No Official or Employee may have an Economic Interest in the representation of any Person in any judicial or quasi-judicial proceeding before any administrative agency or court in which the Board or a Local School Council is a party and that Person's interest is adverse to that of the Board or the Local School Council.

XII. Gifts, Loans, and Favors

- A. No Official, Employee, or Board Contractor or his or her Spouse, Domestic Partner, Partner to a Civil Union, or other Member of his or her Household, shall accept anything of value, including, but not limited to, a Gift, favor, loan, or promise of future employment, based upon any explicit or implicit mutual understanding that official actions will be influenced.
- B. It shall be presumed that a Gift having a value of \$50 or less does not violate Section XII(A) provided, however, that the items or services from any one source do not exceed a cumulative value of \$100 during any calendar year. Any other Gift given shall be turned

over to the Chief Financial Officer who will determine whether to return the Gift to the giver or accept the Gift on behalf of the Board.

- C. Section XII does not prohibit an Official or Employee, or his or her Spouse, Domestic Partner, Partner to a Civil Union, or other Member of his or her Household, from accepting Gifts from Relatives or co-workers. In the case of Gift giving from a subordinate Employee to his or her Supervisor, no single Employee shall give a single Gift exceeding a value of \$50 or Gifts exceeding a cumulative value of \$100 in a calendar year to his or her Supervisor or anyone in his or her Supervisor's upward chain of supervision.
- D. Except as prohibited in Sections XII(A) and (B), an Official or Employee, or his or her Spouse, Domestic Partner, Partner to a Civil Union, or other Member of his or her Household, is permitted to receive a:
 - 1. Award publicly presented in recognition of public service;
 - 2. Commercially reasonable loan made in the ordinary course of the lender's business;
 - 3. Political contribution, provided it is reported as required by law; or
 - 4. Reasonable hosting, including travel and expenses, entertainment, meals, or refreshments furnished in connection with public events, appearances, or ceremonies related to official Board business.
- E. Any Official or Employee may accept a Gift on the Board's behalf provided that the Official or Employee accepting the Gift reports receipt of the Gift to the Chief Financial Officer within 10 business days and uses the gift however intended for Board purposes.
- F. Any Official or Employee who receives any Gift, money, or honoraria for participating in the course of his or her public employment, or duties as an Official, in speaking engagements, lectures, debates, or organized discussion forums shall report the payment to the Chief Financial Officer within 10 business days.
- G. The Chief Financial Officer will maintain an inventory of Gifts or other compensation reported in accordance with Sections XII (B), (E), and (F) above, and provide a quarterly report on all such reported Gifts and other compensation to the Secretary of the Board and to the Ethics Advisor.
- H. No Official or Employee, or his or her Spouse, Domestic Partner, Partner to a Civil Union, or other Member of his or her Household, shall solicit or accept any money or other thing of value including, but not limited to, Gifts, favors, services, or promises of future employment, in return for advice or assistance on matters concerning the operation of business of the Board. Nothing in Section XII shall prevent an Official or Employee or his or her Spouse, Domestic Partner, Partner to a Civil Union, or Member of his or her Household of an Official or Employee from accepting compensation for services wholly unrelated to the Official's or Employee's official duties and responsibilities rendered as part of the Official or Employee's non-Board employment, occupation, or profession.
- I. No Official or Employee shall accept a payment, gratuity, or offer of employment from a contractor seeking to secure an award from the Board, or a subcontractor seeking to secure an award or order from a Board prime contractor or another subcontractor. Further, no Board Member or Employee shall offer payment, gratuity, or employment on behalf of a contractor seeking to secure an award or a subcontractor seeking to secure an award or order from a prime contractor or another subcontractor.

- J. No subcontractor or anyone acting on behalf of a subcontractor shall offer payment, gratuity, or employment to a prime contractor or another subcontractor in connection with any Board or Local School Council contract as an inducement for the award of a subcontract or order. This prohibition shall be set forth in every Board contract and solicitation.

XIII. Secondary Employment

- A. No Employee may engage in any Secondary Employment that is in conflict with the duties or demands of his or her Board employment.
- B. Attorneys in the Law Department are expressly prohibited from performing legal work for or undertaking legal representation of any Person or entity other than the Board of Education.
- C. Before obtaining or accepting Secondary Employment that is not prohibited by Section XIII(A), the Employee must complete the Board's Secondary Employment Approval Form and obtain written approval as follows:
 - 1. The Chief Executive Officer, Chief Financial Officer, General Counsel, Inspector General, and all Employees of the administrative office of the Board must obtain written approval from the President of the Board.
 - 2. Other executive officers and officers must obtain written approval from the Chief Executive Officer.
 - 3. Chief Officers of each Area must obtain written approval from the Chief Education Officer. Area Office Employees must obtain written approval from their Areas' Chief Officer.
 - 4. Bargaining unit Employees with a regular work schedule of less than 52 weeks must obtain written approval from their principal or department head for Secondary Employment engaged in during the school year. However, these Employees need not obtain approval for intersession Secondary Employment, but must report such intersession Secondary Employment.
 - 5. All other Employees must obtain written approval from their department's Chief Officer.
 - 6. Attorneys in the Law Department must obtain written approval from the General Counsel.
- D. Written approval will not be granted when the proposed Secondary Employment is during the Employee's scheduled work hours or there is a conflict between the Secondary Employment and the Employee's Board employment. Determinations that Secondary Employment conflicts with Board employment should be made in consultation with the Ethics Advisor. The Ethics Advisor is authorized to reverse any Secondary Employment approvals that do not comply with this Code.
- E. The Office of Human Capital shall develop guidelines for collecting approvals, denials, and intersession reports of Secondary Employment.
- F. Employees are not permitted to use Board resources to perform any Secondary Employment.
- G. Service on a board of directors in exchange for monetary compensation or an ownership interest in a Corporation will be viewed as Secondary Employment. See Sections XI (C) and (D) for provisions regarding conflicts of interest between Board employment and service on a board.

XIV. Use or Disclosure of Confidential Information

No Official or Employee shall use or disclose Confidential Information gained by reason of his or her position or employment. However, an Official or Employee may use or disclose Confidential Information as required by law to perform his or her official duties. Nothing in this Section shall limit the rights afforded to "whistleblowers" pursuant to the Illinois Whistleblower Act, 740 ILCS 174 et al. as amended and the Illinois School Code, 105 ILCS 5/34-2.4c.

XV. Post-employment and Post-membership Restrictions

- A. If a former Official or Employee was counsel of record or participated personally and substantially in a judicial or administrative proceeding during his or her term of office or employment, then the former Official or Employee shall not assist or represent any Person other than the Board in any related judicial or administrative proceeding.
- B. If a former Official or Employee participated personally and substantially in the subject matter of the transaction during his or her term of office or employment, then the former Official or Employee shall not assist or represent any Person in any business transaction involving the Board for a period of one year after the termination of the Official's or Employee's term of office or employment. However, if a former Official or Employee exercised Contract Management Authority with respect to a contract, this prohibition shall be permanent as to that contract.
- C. The Board shall not hire a former Board Member in any capacity for a period of one year after the termination of his or her membership on the Board. In addition, during that year, the Board shall not enter into any contracts or agreements for goods or services with the former Board Member or with any corporation, partnership, association, sole proprietorship, or other entity, other than a publicly traded Corporation employing the former Board Member, unless the former Board Member receives less than \$1,500 per year from that entity.
- D. Any Official or Employee appointed by the Mayor of the City of Chicago on or after May 16, 2011, shall not lobby (as defined in §2-156-010(p) of the Municipal Code of the City of Chicago) the Board for a period of two years after the termination of the Official's or Employee's term of office or employment.
- E. No Local School Council member shall be eligible for any type of employment at the school at which he or she served as a member of the school's Local School Council, for a period of one year after the termination of his or her membership on said Local School Council. This provision shall not apply to principal, teacher, or non-teaching staff Local School Council members.
- F. No Local School Council member shall have an Economic Interest in a contract involving the school at which he or she served as a Local School Council member for a period of one year after the termination of his or her membership on said Local School Council.

XVI. Disclosures

- A. All contracts and leases valued at \$25,000 or more to which the Board is a party shall be accompanied by a disclosure of the name and address of:
 - 1. Each attorney who was retained by the Board Vendor in connection with the contract or lease;
 - 2. Each lobbyist who was retained by the Board Vendor in connection with the contract or lease;

3. Each consultant who was retained by the Board Vendor in connection with the contract or lease; and
 4. Any other Person who will be paid any fee for communicating with Officials or Employees when such communications are intended to influence the issuance of the contract or lease.
- B. The disclosures listed in Section XVI(A), as well as any other disclosures that must be submitted to the Board by Persons entering into contracts or leases with the Board, are to be kept in a form which allows their inspection by the public or any other entity. The Ethics Advisor in consultation with the Chief Purchasing Officer is authorized to modify the provisions of Section XVI(A) above.
- C. In order to assist candidates for public office in monitoring compliance with Chicago's ordinance which sets an upper limit of \$1,500 on campaign contributions by an entity that Does Business with the Board or has Done Business with the Board during the past four years, the office of the Board's Chief Purchasing Officer shall submit to the City of Chicago a list of all entities that have Done Business with the Board during the past four years. A revised list including this information shall be submitted to the City each month or such other schedules specified by the City.

XVII. Filing of Statements of Economic Interests

- A. Board Members and designated Employees must file an annual Statement of Economic Interests as required by the Illinois Governmental Ethics Act, 5 ILCS 420 et al.
- B. Local School Council members must file a Statement of Economic Interests as required by the Illinois School Code, 105 ILCS 5/34-2.1(q), and rules promulgated by the Board.

XVIII. Political Activities

- A. Employees are permitted to engage in Political Activity on a voluntary basis during non-work hours, vacation, or personal time. Employees are not permitted to engage in Political Activity during any other Board compensated time.
- B. At no time shall any Official or Employee intentionally misappropriate the services of any Employee by requiring that any Employee perform any Political Activity as:
 1. Part of that Employee's duties;
 2. A condition of employment; or
 3. During any time-off that is compensated by the Board (such as vacation or personal time).
- C. No Official or Employee shall require any Employee to participate in Political Activity in consideration for that Employee being awarded additional compensation or employee benefit such as a salary adjustment, bonus, compensatory time-off, or continued employment.
- D. No Official or Employee shall award, and no Employee shall accept, any additional compensation or employee benefit such as a salary adjustment, bonus, compensatory time-off, or continued employment, in consideration for the Employee's participation in Political Activity.
- E. No Official or Employee shall use his or her official Board position to engage in Political Activity or endorse a Candidate for Elective Office.

- F. No Official or Employee is permitted to use Board resources to perform any Political Activity.
- G. Nothing in this Section prohibits Political Activities that are otherwise appropriate for an Employee to engage in as part of his or her official employment duties.
- H. Officials and Employees may permit a Candidate for Elected Office to use the Board's school buildings only in accordance with Board Rule 6-25.

XIX. Rights and Responsibilities Under This Code of Ethics

- A. All Officials and Employees are responsible for complying with this Code of Ethics.
- B. All Employees have the right and are encouraged to report potential violations of this Code of Ethics to the Ethics Advisor.
- C. Any Official or Supervisor who knows or has reason to know that this Code of Ethics may have been violated must report the matter to the Ethics Advisor.
- D. All Officials and Employees are responsible for cooperating with inquiries to determine whether this Code of Ethics has been violated. This cooperation will include supplying witness testimony, documents, and any other requested information. Failure to do so may be considered a violation of this Code.
- E. All Officials and Employees are responsible for cooperating with remediation of violations of this Code.

XX. Legal Compliance

Officials and Employees covered by this Code of Ethics shall abide by any and all applicable local, state, and federal laws, regulations, or rules. Violations of the Illinois Governmental Ethics Act, 5 ILCS 420 et al., may be referred to the appropriate prosecutorial authority and result in a fine up to \$5,000.00.

XXI. Penalties for Violations

- A. Any Employee who violates this Code of Ethics may be subject to discipline, including suspension or dismissal.
- B. Any Official who violates this Code of Ethics may be subject to disqualification or removal from office.
- C. Any Contractor who violates this Code of Ethics may be subject to debarment under the Board's Debarment Policy.

XXII. Effective Date

This Code of Ethics shall be in effect beginning May 25, 2011.

LEGAL REFERENCES: Securities Exchange Act of 1934, 15 U.S.C. §78 et al.; Lobbyist Registration Act, 25 ILCS 170/2; Illinois Charter Schools Law, 105 ILCS 5/27A; Freedom of Information Act, 5 ILCS 140 et al.; Illinois School Code, 105 ILCS 5/34-1.1; The Illinois Religious Freedom Protection and Civil Union Act, Public Act 096-1513 (as effective June 1, 2011); Local School Council Training, 105 ILCS 5/34-2.2(b); Illinois Whistleblower Act, 740 ILCS 174 et al.; Illinois School Code, 105 ILCS 5/34-2.4c; Illinois School Code, 105 ILCS 5/34-2.1(q); Municipal Code of the City of Chicago, §2-156-010(p); Illinois Governmental Ethics Act, 5 ILCS 420 et al. Public Act 096-1412 amending 105 ILCS 5/34-2.1(a).

Respectfully submitted:




Terry Mazany
Chief Executive Officer

Noted:



Diana S. Ferguson
Chief Financial Officer

Approved as to Legal Form:



Patrick J. Rocks
General Counsel