

August 24, 2011

**PROPOSED SETTLEMENT OF ILLINOIS DEPARTMENT
OF PUBLIC HEALTH'S CODE-VIOLATION CHARGES**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

DESCRIPTION: The Illinois Department of Public Health ("IDPH") has charged the Board with various statutory and regulatory violations relating to the construction of swimming pools at six high schools, including failing to obtain IDPH permits for the construction and beginning construction without IDPH permits. IDPH has agreed to settle these violations in consideration of the Board's payment of fines totaling \$189,400.00 and the execution of a settlement agreement.

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

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: Charge \$189,400.00 to Operations
Budget Classification FY 2012 - 11880-230-54105-254002-000000-2012

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement, and all ancillary documents related thereto.

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.

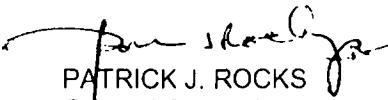
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

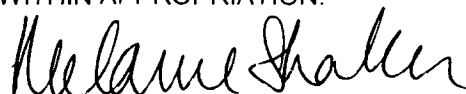
Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

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 *WRM*

WITHIN APPROPRIATION:



MELANIE SHAKER
Interim Chief Financial Officer