

December 15, 2021

**APPROVE PAYMENT OF PROPOSED SETTLEMENT REGARDING  
CTU v. BOARD, ET AL., CASE NOS. 1:12-cv-10311 & 1:15-cv-8149**

**THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:**

**DESCRIPTION:** Subject to court approval after a fairness hearing, the Board and Plaintiff, Chicago Teachers Union, and a class of 413 persons, have reached a settlement disposing of all claims against the Board in Case Nos. 1:12-cv-10311 and 1:15-cv-8149, filed respectively on December 26, 2012, and September 16, 2015, in the United States District Court for the Northern District of Illinois, Eastern Division. The settlement amount is \$9.25 million dollars plus reasonable claims administration costs, \$1.7 million dollars of which is payable by the Board of Education and \$7.55 million of which is payable by insurance carriers. Reasonable claims administration costs will be paid by an insurer.

Subject to court approval, additional settlement terms will include the following:

CTU Members Affected: 413 current and former employees.

Attorneys' Fees: Attorneys' fees are subject to court approval. Plaintiffs' counsel, the firm of Fish Potter Bolaños, P.C. and the Edwin F. Mandel Legal Aid Clinic, will seek approximately \$3.6 Million in fees, to be paid from the settlement amount.

Reimbursement of Court/Litigation Counsel Costs: Reimbursement of Court/Litigation Costs are subject to court approval. Plaintiffs' counsel, the firm of Fish Potter Bolaños, P.C. and the Edwin F. Mandel Legal Aid Clinic, will seek approximately \$400,000 in court costs, to be paid from the settlement amount.

Allocation of Remainder of Settlement Amount to Class Members: Plaintiffs' counsel, the firm of Fish Potter Bolaños, P.C. and the Edwin F. Mandel Legal Aid Clinic, will request that approximately \$5.25 million be allocated to the 413 class members pursuant to a formula which will include an incentive payment to named CTU members and determine each affected CTU member's proportionate share based on claimed losses. This formula will be subject to Court approval after a fairness hearing.

Release of Claims: The Chicago Teachers Union will execute a release of claims against the Board, its employees, and agents, and, as a condition of payment, each affected CTU member will execute a release of claims against the Board, its employees, and agents.

Non-Admission: The Board specifically denies that it is legally liable for the claims and the agreement is entered by the Board solely to conclude protracted and costly litigation and to mitigate financial risk to the Board and the taxpayers.

The settlement terms are subject to court approval after a fairness hearing.

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

**AFFIRMATIVE ACTION STATUS:** None.

**FINANCIAL:** Charge a total of \$1,700,000.00 as described above to the Law Department.

Budget Classification Fiscal year 2022.....12460-115

**AUTHORIZATION:** Authorize the General Counsel to negotiate all settlement terms other than the Board-approved settlement amount, to execute the Settlement Agreement and all ancillary documents related thereto and take all actions necessary to implement the terms of the Settlement Agreement.

**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 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,

DocuSigned by:

*Joseph T. Moriarty* <sup>DS</sup>  
JEM

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JOSEPH T. MORIARTY  
General Counsel