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**INTERGOVERNMENTAL AGREEMENT**

**between**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508**

**COUNTY OF COOK AND STATE OF ILLINOIS**

**and**

**BOARD OF EDUCATION OF THE CITY OF CHICAGO**

**for**

**WRIGHT COLLEGE CAMPUS SOUTH  
3400 S. AUSTIN AVENUE  
CHICAGO, ILLINOIS**

**EFFECTIVE AS OF JULY 1, 2011**

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**INTERGOVERNMENTAL AGREEMENT****BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508****County of Cook and State of Illinois****and****BOARD OF EDUCATION OF THE CITY OF CHICAGO**

This Intergovernmental Agreement ("Agreement") is made as of the first day of July, 2011, between the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois (hereinafter "CCC"), a body politic and corporate, whose principal offices are located at 226 West Jackson Blvd., Chicago, Illinois 60606 and the Board of Education of the City of Chicago (hereinafter "Board of Education" or "BOE"), a body politic and corporate, whose principal offices are located at 125 South Clark Street, Chicago, Illinois 60603.

**RECITALS**

- A. **WHEREAS**, the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois is a body politic and corporate created by the Illinois State Legislature pursuant to the Public Community College Act of Illinois, 110 ILCS 805 1-1 et seq. as amended, for the purpose among others, of providing educational and technical training programs in the City of Chicago; and
- B. **WHEREAS**, the Board of Education of the City of Chicago is a body politic and corporate created by the Illinois State Legislature pursuant to the Illinois School Code, 105 ILCS 5/34-1 et seq. as amended, for the purpose among others of providing free education and related educational and recreational services and programs in the City of Chicago; and

- C. **WHEREAS**, CCC is the owner of the school property commonly known as Wilbur Wright College South located at 3400 N. Austin Avenue, Chicago, Illinois, PIN No. 13-20-311-001 and 13-20-315-001, legally described on Exhibit A attached hereto ("School");
- D. **WHEREAS**, the CCC occupies and uses a portion of the School for educational and training programs; and
- E. **WHEREAS**, the School is located in an area of severe overcrowding and is needed by BOE for kindergarten through 12<sup>th</sup> grade classes; and
- F. **WHEREAS**, BOE has occupied and used the School property pursuant to an agreement with the CCC since 2001; and
- G. **WHEREAS**; CCC and BOE have reached an agreement regarding the continued joint use of the School for the period July 1, 2011 through June 30, 2016 upon the terms and conditions contained below;

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full, and for other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Authorization to Use the School.** BOE is hereby authorized and granted joint use and occupancy of Wilbur Wright College, South Campus, located at 3400 N. Austin Avenue, Chicago Illinois including the recreational facilities and parking lot located on the

property described on Exhibit A attached hereto. The Building, recreational facilities and parking lot are herein collectively called the "School".

2. **Term.** The term of this Agreement shall be for a period of five (5) years beginning as of July 1, 2011 and ending June 30, 2016 ("The Term").
3. **CCC's Continued Use of the School.** During the Term of this Agreement, CCC shall continue to use six classrooms in the School, Monday through Thursday, 5:00 p.m. to 10:00 p.m. for adult education classes, or other purposes as determined by CCC.  
  
Primary access to the classrooms will be from the southwest entrance of the Building and shall include use of the passenger elevator for persons with disabilities. BOE shall cooperate with the CCC regarding use of the classrooms, access, and securing the area utilized by the CCC and opening and closing the School building at all times.
4. **BOE Use of the School.** BOE will use and occupy the School for public educational, recreational and other related purposes. Use for any other purpose is prohibited unless BOE obtains the prior written consent from the CCC therefore, which shall not be withheld or delayed. Violation of this provision shall be cause for termination of this Agreement. BOE agrees, at its sole cost and expense, to maintain the Boy's and Girl's bathrooms in the southwest corner of the third floor as ADA compliant. BOE further agrees to keep the passenger elevators in proper working condition during the Term of this Agreement.
5. **Condition of School and Repairs, Surrender.** BOE has operated classes in the School since 2001. BOE accepts the School in an "AS-IS" condition. BOE has examined and knows the condition of the School and has received the same in good order and repair, and no representations as to the condition or repair of the School have been made by the CCC

or its agents prior to or at the execution of this Agreement, that are not herein expressed or endorsed hereon. BOE shall keep the School in a clean, sightly, orderly and healthy condition and in good repair, and shall perform all acts required to maintain the School in accordance with applicable statutes, ordinances and other governmental requirements.

6. **Alterations, Additions and Improvements.** BOE shall not have the right to make, or suffer or permit to be made, any alterations, additions or improvements in or about the School without first obtaining the written consent of CCC, which consent shall not be unreasonably withheld or delayed. BOE shall not make any changes to the swimming pool in the School without the CCC's prior consent or knowledge. Any and all alterations, additions and improvements shall be done at BOE's own expense, and no liens of mechanics, materialmen, laborers, architects, artisans, contractors, subcontractors, or any other lien of any kind shall be created against or imposed upon the School; or any part thereof.
7. **CCC's Right of Entry.** CCC shall have the right, at any time, to enter upon the School to inspect the same and to make any and all improvements, alterations and/or additions of any kind upon the School which should have been made by BOE and which BOE has failed to make after notice and failure to cure.
8. **Compensation for Use.** For the first year of this Agreement, BOE agrees to pay CCC for joint use of the School, without notice or demand, Six Hundred Twenty Thousand Dollars (\$620,000), payable in monthly installments of Fifty One Thousand Six Hundred and Sixty Six and 66/100 dollars (\$51,666.66), due in advance on the first day of every month ("Fee"). For each year thereafter, BOE agrees that the Fee shall increase by 3% per year on July 1 of each year.

9. **Insurance.** Throughout the term of this Agreement, the Parties shall each provide and maintain the following insurance coverage:

9.1 BOE at its own expense shall provide and maintain the following insurance coverages:

**i. Property Insurance**

Commercial Property Insurance and Fire Legal Liability, or evidence of BOE's Self-Insurance Plan for the School, of no less than \$30 million, sufficient to insure against loss, damage or destruction to the School inclusive of real property, contents, boiler and machinery, interruption of CCC's business, fire, flood hazards, earth movement hazards, fine arts and others that may be mutually identified and agreed upon by all Parties; and

**ii. Commercial General Liability**

Commercial General Liability Insurance or equivalent with limits of not less \$5,000,000 per occurrence, for bodily injury, personal injury, and property damage liability. Coverage shall include the following: All premises and operations, products/completed operations, separation of insureds, defense and contractual liability (with no limitation endorsement). BOE shall ensure that independent contractors provide evidence of insurance at identical limits; and

**iii. Automobile Liability**

When any motor vehicles (owned, non-owned and hired) are used in connection with access to the School, the BOE shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage; and

**iv. Workers' Compensation and Employer's Liability**

Workers' Compensation as prescribed by applicable Illinois law, covering all employees who are providing Services and Employer's Liability coverage with limits of not less than \$1,000,000 each accident or illness.

Prior to the execution of this Agreement, BOE shall furnish the CCC with original Insurance Certificates evidencing the required coverage. All Insurance Certificates shall name the Board of Trustees of Community College District No. 508 dba City Colleges of Chicago and its trustees, officers, agents, employees, contractors and volunteers as additional insured on a primary, non-contributory basis. BOE's failure to deliver the required Insurance Certificates shall not be deemed a waiver of this provision by the CCC. All insurance policies required hereunder shall include a provision which requires BOE to deliver sixty (60) days prior written notice before coverage is substantially changed, cancelled or non-renewed.

CCC acknowledges that BOE may elect to Self-Insure certain risks or a portion of certain risks. The BOE may deliver evidence of a combination of Self-Insured Plans and Commercial Insurance to fulfill the Insurance Requirements expressed above.

9.2 CCC at its own expense shall provide and maintain the following insurance coverages: for Administrators and Staff assigned to conduct official activities at the School:

**i. Commercial General Liability**

Commercial General Liability Insurance or equivalent with limits of not less \$5,000,000 per occurrence, for bodily injury, personal injury, and property damage liability. Coverage shall include the following: All School and operations, products/completed operations, separation of insured, defense and contractual liability (with no limitation endorsement). CCC shall ensure that independent contractors provide evidence of insurance at identical limits; and

**ii. Automobile Liability**

When any motor vehicles (owned, non-owned and hired) are used in connection with access to the School, the BOE shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage; and

**iii. Workers' Compensation and Employer's Liability**

Workers' Compensation as prescribed by applicable Illinois law, covering all employees who are providing Services and Employer's Liability coverage with limits of not less than \$1,000,000 each accident or illness.

Prior to the execution of this Agreement, CCC shall furnish BOE with original Insurance Certificates evidencing the required coverage. All Insurance Certificates shall name the Board of Education of the City of Chicago and its trustees, officers, agents, employees, contractors and volunteers as additional insured on a primary, non-contributory basis. CCCs' failure to deliver the required Insurance Certificates shall not be deemed a waiver of this provision by BOE. All insurance policies required hereunder shall include a provision which requires the CCC to deliver sixty (60) days

prior written notice before coverage is substantially changed, cancelled or non-renewed. BOE acknowledges that CCC may elect to Self-Insure certain risks or a portion of certain risks. CCC may deliver evidence of a combination of Self-Insured Plans and Commercial Insurance to fulfill the Insurance Requirements expressed above. The Parties agree to request each of their insurers to waive their rights of subrogation against the other.

10. **Utilities.** BOE shall, at BOE's sole cost and expense, pay for the cost of all utilities associated with BOE's use of the School.
11. **Indemnification.** Both Parties mutually agree to defend, indemnify and hold harmless the other, their respective board members, trustees, employees, agents, officers and officials, from and against any and all liabilities, losses, penalties, damages, and expenses, of every kind, nature and character, including court costs and reasonable attorney fees, arising out of, or relating to, any and all claims, liens, damages, obligations, actions, suits, judgements or settlements, or causes of action, of every kind, nature and character, arising out of the acts or omissions of their respective officials, agents, consultants, subconsultants and/or employees under this Agreement.

All property situated in the School and belonging to BOE, its agents, employees or invitees or any occupant of the School shall be situated there at the risk of BOE, and CCC shall not be liable for damage thereto or theft, misappropriation or loss thereof.

All property situated in non-secured areas of the School and belonging to CCC, its agents, employees or invitees shall be situated there at the risk of CCC, and BOE shall

not be liable for damage thereto or theft, misappropriation or loss thereof.

12. **Assignment and Subletting.** This Agreement shall not be assigned or transferred in whole or in part by BOE without the written consent of CCC, which consent shall not be unreasonably withheld.
13. **Holding Over.** BOE's holding over or continued use or occupancy of the School after the expiration of the Agreement shall be construed as a month to month license at the monthly Fee determined by the continued application of the provisions of Section 8 above and subject to the same conditions set forth in this Agreement.
14. **Condemnation.** If the School, or any part thereof, are (consequentially or otherwise) taken, damaged, or condemned by public authority, this Agreement shall immediately terminate as to the part so taken, and BOE shall have the option, within thirty (30) days after assessing the amount of damage and amount of remaining usable space, to either continue with the Agreement, with Fee payments abated in accordance with the reduced square footage, inconvenience due to the loss and need for repairs, or choose to terminate this Agreement without further obligation. Any damages and payments resulting from any public authority taking, damaging or condemning the School shall accrue to and belong to CCC; provided, however, BOE shall have the right to claim from the condemnor, compensation for loss of BOE's trade fixtures, and relocation expenses.
15. **Destruction and Insurance Proceeds.** If at any time during the term of this Agreement, or any extension or renewal thereof, the School shall be totally or partially destroyed by fire, earthquake, or other calamity, then this Agreement shall immediately terminate as to the

part so destroyed, and BOE shall have the option within thirty (30) days after assessing the amount of damage and the amount of remaining usable space, to either continue with this Agreement, with Fee abated in accordance with the reduced square footage, or to terminate this Agreement without further obligation. However, if BOE chooses to remain in the School but CCC elects not to rebuild or repair said School, CCC shall so notify BOE by written notice within the period of thirty (30) days after the damaging event, and thereupon this Agreement shall terminate unless BOE notifies CCC that it elects to rebuild or repair the School with its own funds or with insurance proceeds from the Property Insurance Policy obtained by BOE, in which case the Parties agree to negotiate either an extension of this Agreement to take into account the rebuilding or repair of the School or the sale of the School to BOE upon terms mutually acceptable to both Parties. In the event the BOE elects not to rebuild the School, it is understood that the policy will only pay actual cash value less depreciation and that the BOE shall be entitled to receive a portion of the proceeds for the building improvements it has made as well as the BOE's contents covered by said insurance.

**16. Termination.** This Agreement may be terminated on the following conditions:

16.1 If either party is in default under any of the terms and conditions of this Agreement except the payment of Fee (which is covered under Section 16.2 below), the party which is not in default shall have the right to notify the other party of the nature of such default and, if such default is not cured within sixty (60) days thereafter, this Agreement shall terminate. Notwithstanding the foregoing, if the default is of such a nature that it cannot be cured within such sixty (60) day period and the defaulting

party commences the cure within such sixty (60) days and diligently pursues the cure, such party shall not be in default hereunder if the default is cured within one hundred twenty (120) days after the notice from the non-defaulting party.

16.2 If BOE fails to pay the Fee required in Section 8 of this Agreement, CCC, after providing thirty (30) days' written notice and an opportunity for BOE to pay, shall have the right to terminate this Agreement in accordance with the terms herein and applicable law.

17. **Waiver.** The failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.
18. **Binding on Heirs, Successors, and Assigns.** This Agreement shall be binding upon and to benefit of the successors, personal representatives, and permitted assigns of CCC and BOE.
19. **Entire Agreement.** This Agreement (and its attachments if any) constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings and agreements, oral and written, relating hereto. Any amendment hereof must be in a writing signed by both parties.
20. **Notice.** Notices regarding this Agreement shall be sent first class, postage pre-paid, registered or certified mail, return receipt requested, or by overnight courier or by hand delivery to the following persons or to any successor designated by either party in writing:

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**For The Board of Trustees of Community College No. 508,**

**County of Cook and State of Illinois:**

Cheryl L. Hyman, Chancellor  
226 West Jackson Blvd. 14th Floor  
Chicago, IL 60606

with additional notice to:

James M. Reilly, General Counsel  
226 West Jackson Blvd. 14th Floor  
Chicago, Illinois 60606

with additional notice to:  
President of Wright College  
4300 N. Narragansett  
Chicago, Illinois 60634

**For The Board of Education of the City of Chicago:**

Chief Operating Officer and  
Director of Real Estate  
Chicago Public Schools  
125 S. Clark St., 16th Floor  
Chicago, IL 60603

with additional notice to:

Law Department  
Chicago Board of Education  
125 S. Clark Street, 7th Floor  
Chicago, IL 60603  
Attn: General Counsel

with additional notice to:  
Principals Chicago Academy  
Academy for Urban School Leadership  
3400 N. Austin  
Chicago, IL 60634

or to such other addressee as may be hereafter designated by written notice. All such  
notices shall be effective only when received by the addressee.

**21. Covenants Regarding Use.**

**21.1 BOE covenants and agrees to:**

20.1.1 Maintain the School in condition fit for its intended use and to make all necessary repairs, including adequate heat and water, and a sound physical structure.

21.1.2 Maintain the Common Areas, the grounds and remove the rubbish. The Common Areas shall include such sewer lines, water mains, mechanical equipment, pipes, ducts, conduit, wires and all other facilities furnished, made available or maintained in the School. BOE shall operate, manage, equip, light, insure, repair and maintain the Common Areas and facilities for their intended purposes.

21.1.3 Not consume, possess, exhibit, sell or offer for sale, nor permit its agents, employees, guests or invitees to consume, possess, exhibit, sell or offer for sale, any alcoholic or intoxicating beverages on or around the School.

21.1.4 Fully comply with all applicable laws, ordinances and governmental regulations and shall not make any use of the School which, directly or indirectly, is forbidden by public law, ordinance or governmental regulation or which may be dangerous to life, limb or property, or which may invalidate or increase the premium cost of any policy of insurance carried on the School.

21.1.5 Not display, inscribe, paint, print, maintain or affix on any place in or about the exterior of the School any sign, notice, legend, direction, figure or advertisement unless BOE has in each instance, first obtained the written consent of CCC, or such person or persons as CCC may from time to time, designate in writing, which consent shall not be unreasonably withheld or delayed.

21.1.6 At its own cost and expense, procure each and every permit, Agreement, certificate or other authorization and any renewals, extensions or continuances of the same required in connection with the lawful and proper use of the School.

21.1.7 Enforce any "No Smoking" rules and regulations applicable to the School.

**22. Real Estate Taxes.** CCC and the Board of Education are both governmental entities created by Illinois Statute for the purpose of providing public education and training and other school related services and programs for the public. CCC and the Board of Education's property, used for school purposes, is exempt from real estate taxation pursuant to Sections 35 ILCS 200/15-35, 200/15-110 and 200/15-135 of the Illinois State Statutes. CCC and the Board of Education use and occupy the School for educational, training and school related tax exempt purposes. Nevertheless, the Board of Education shall be responsible for any real estate or other taxes assessed on the School as a result of this Agreement. CCC shall provide the Board of Education with notice and the opportunity to contest and appeal the taxes on the School before they become final.

23. **Independent Contractor.** It is mutually agreed and understood that neither party nor their employees, officers, agents or contractors are employees of the other.
24. **Compliance with Law.** This Agreement is governed by, and subject to compliance with federal, state and local laws.
25. **Governing Law, Forum.** This Agreement shall be governed by and construed under the laws of the State of Illinois, County of Cook, which shall be the forum for any lawsuits arising under this Agreement or incident hereto.
26. **General Conditions.** This Agreement is subject to the approval of the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois and the Board of Education of the City of Chicago.
27. **Ethics.** Each Party must comply with the respective Ethics Policy of the other in the administration and performance of this Agreement, and must adhere to their own respective Ethics provisions. The CCC's Ethics Policy is attached as Exhibit B. The BOE's Ethics Policy is attached as Exhibit C.
28. **Conflict of Interest.** Both parties must adhere to their own applicable Conflicts of Interest provisions (which restricts the employment of, or the letting of contracts to, former Board members within a one year period following expiration or other termination of their office). When not in conflict, both parties will comply with each others applicable Conflict of Interest provisions. If there is a conflict, each party agrees to comply with its own Conflicts of Interest provisions.

29. **Inspector General.** Each party to this Agreement hereby acknowledges that the respective Inspector Generals of CCC and BOE have the authority to conduct investigations and that the Inspector Generals will have access to all information and personnel necessary to conduct those investigations. Each party shall comply with the Inspector General investigations of the other party.
30. **Resolution of Disputes:** In the event a dispute arises between the parties regarding their respective operations or use of the School under this Agreement, the parties agree to attempt first to mediate and resolve the dispute through their respective representatives which in the case of City Colleges shall be the President of Wright College and the Vice Chancellor of Facilities and in the case of the Board, the Chief Operating Officer and the Principal(s) of the School, before either party takes any legal action.

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IN WITNESS WHEREOF, the authorized representative of the parties have executed this

Intergovernmental Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

For The Board of Trustees of  
Community College District No. 508  
County of Cook and State of Illinois:

By: [Signature]  
Title \_\_\_\_\_

For the Board of Education of the  
City of Chicago:

By: [Signature]  
Board Member  
Title \_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary

Approved as to Legal Form:

[Signature]  
General Counsel

Date: 8/31/11

Attest: [Signature] 8/24/11  
Secretary

Approved as to Legal Form:

[Signature] TP  
General Counsel

Authorization:

Board Report No. 11-0622-0P9-1

Dated: June 22, 2011

Exhibit A

Legal Description

PARCEL 1: LOTS 1 TO 40, INCLUSIVE, IN BLOCK 6 AND LOTS 1 TO 40, INCLUSIVE, IN BLOCK 7 ALL IN AUSTIN GARDENS, BEING A SUBDIVISION OF THE EAST 20 ACRES OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 AND THE NORTH 1/2 OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 IN SECTION 20, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

ALSO

PARCEL 2: VACATED WEST NEWPORT AVENUE LYING EAST LINE OF NORTH MEADE AVENUE AND LYING WEST OF THE WEST LINE OF NORTH AUSTIN AVENUE;

ALSO

PARCEL 3: THE VACATED EAST AND WEST 16 FOOT ALLEY LYING SOUTH OF AND ADJOINING LOTS 1 TO 20, INCLUSIVE, IN BLOCK 6 IN AUSTIN GARDENS, AFORESAID;

ALSO

PARCEL 4: THE VACATED EAST AND WEST 16 FOOT ALLEY LYING NORTH OF AND ADJOINING LOTS 21 TO 40, INCLUSIVE, IN BLOCK 7 IN AUSTIN GARDENS, AFORESAID, ALL IN COOK COUNTY, ILLINOIS.

PINS: 13-20-311-001 and 13-20-315-001

Address: 3400 N. Austin, Chicago, IL

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Exhibit B

City Colleges of Chicago Ethics Policy

# CITY COLLEGES OF CHICAGO ETHICS POLICY

## PREAMBLE

The mission of Community College District No. 508 is: "The City Colleges of Chicago, an institution of higher education, will provide opportunities for all students to enhance their knowledge and skills by offering superior, affordable, and comprehensive educational programs and services." To this end, this Ethics Policy is adopted to ensure that the highest ethical standards are maintained in fulfilling this mission.

## PURPOSE

The purpose of the Board Ethics Policy is to promote public confidence in the integrity of the City Colleges of Chicago by establishing consistent standards for the conduct of City Colleges of Chicago business by Board members and City Colleges of Chicago employees and contractors.

## Section 1: DEFINITIONS

Whenever used in this Policy, the following terms shall have the following meaning:

- (a) "Board" means the Board of Trustees of Community College District No. 508, County of Cook, State of Illinois.
- (b) "Board action" and "Board activity" mean any and every activity undertaken by the Board itself or by any Board member or employee in furtherance of any decision, mandate or request of the Board.
- (c) "Board contract" means any contract entered into pursuant to Board action of Trustees of the City Colleges of Chicago.
- (d) "Board member" means any person serving as a member of the Board.
- (e) "Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties.
- (f) "Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in section 1-3 of the Election Code (10 ILCS 5/1-3).
- (g) "Collective bargaining" means bargaining over terms and conditions of employment, including hours, wages and other conditions of employment as defined in the Labor Relations Act (5 ILCS 315/3).
- (h) "Contractor" means any person (including his/her agents or employees) acting within the scope of their employment doing business with the District.
- (i) "Compensated time" means, with respect to an employee, any time worked by or

credited to the employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this policy, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, "compensated time" includes any period of time when the officer is on premises under the control of the employer and any other time when the officer or employee is executing his or her official duties, regardless of location.

(j) "Compensation" means money, thing of value or other pecuniary benefit received or to be received in return for, or as reimbursement for, services rendered or to be rendered.

(k) "Compensatory time off" means authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment.

(l) "Contract management authority" means personal involvement in or direct supervisory responsibility for the formulation or execution of a Board contract, including, without limitation, the preparation of specifications, evaluation of bids or proposals, negotiation of contract terms or supervision of performance.

(m) "Contribution" a gift, donation, dues, loan, advance or deposit of money or anything of value knowingly received in connection with the nomination for election of any person to public office as further defined by Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4).

(n) "District" means Community College District No. 508, County of Cook and State of Illinois.

(o) "Doing business" means any one or combination of sales, purchases, leases or contracts to, from, or with the Board in an amount in excess of \$5,000 in any twelve (12) consecutive months.

(p) "Employee" means a person employed by the District, whether on a full-time or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed, but does not include an independent contractor.

(q) "Employer" means the District.

(r) "Expenditure" means a payment, distribution, loan, advance, deposit, or gift of money or anything of value.

(s) "Familial relationship," identical to the definition of "Relative," exists when two persons are related by blood, law, or marriage.

(t) "Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

(u) "Leave of absence" means any period during which an employee does not receive

(i) compensation for employment, (ii) service credit towards pension benefits, and

(iii) health insurance benefits paid for by the employer.

(v) "Officer" means a person who holds, by election or appointment, an office created

by statute or ordinance, regardless of whether the officer is compensated for service in his or her official capacity.

(w) "Person" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

(x) "Political activity" means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties.

(y) "Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a County Clerk under Section 9-3 of the Election Code (10 ILCS 5/9-3), but only with regard to those activities that require filing with the State Board of Elections or a County Clerk.

(z) "Prohibited political activity" means:

- (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 the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
- (3) Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
- (4) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (6) Assisting at the polls on Election Day on behalf of any political organization or candidate for elective office or for or against any referendum question.
- (7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
- (8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
- (9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
- (10) Preparing or reviewing responses to candidate questionnaires.
- (11) 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.
- (12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a campaign for elective office or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election.

(aa) "Prohibited source" means any person or entity who:

(1) is seeking official action (i) by an officer or (ii) by an employee, or by the officer or another employee directing that employee;

(2) does business or seeks to do business (i) with the officer or (ii) with an employee, or with the officer or another employee directing that employee;

(3) conducts activities regulated (i) by the officer or (ii) by an employee, or by the officer or another employee directing that employee; or

(4) has interests that may be substantially affected by the performance or nonperformance of the official duties of the officer or employee.

(bb) "Relative" means a person who is related to a Board member, employee, or spouse or any of the following whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, cousin, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother, half-sister.

(cc) "Romantic relationship" exists when, without benefit of marriage, two persons as consenting partners [1] have a sexual union or [2] engage in partnering or courtship that may or may not have been consummated sexually.

(dd) "Seeking to do business" means [a] taking any action within the past 6 months to obtain a contract or business from the District which, if such action were successful, would result in the person doing business with the District; and [b] the contract or business sought has not been awarded to any person.

(ee) "Special interest" means any economic or other personal interest that is in any way distinguishable from the interests of the public generally and shall include the economic or other personal interest of a spouse; it may include, but is not limited to, a romantic or familial relationship. The ownership, through purchase or inheritance, of less than 1% of the shares of stock in a corporation, parent or affiliate thereof, regardless of the value or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, shall not be considered a special interest.

(ff) "Student officers" means students of the District holding elective or appointed offices.

## **Section 2: FIDUCIARY RESPONSIBILITY**

(a) Employees, Board members, and Student officers shall at all times in the performance of their duties owe a fiduciary responsibility to the Board, to the students of the District and to the residents of the District.

(b) Nothing in this Policy shall be construed to prohibit any individual employee or groups of employees from exercising whatever individual or collective rights they may have through collective bargaining, the first amendment, or otherwise to advocate for changes in their terms and conditions of employment or academic schedules, programs or policies.

### **Section 3: IMPROPER INFLUENCE**

No employee or Board member shall make or participate in making, or in any way attempt to use his position to influence any Board decision or action in which he knows or has reason to know that he has any special interest. (See Section ee above)

### **Section 4: GIFT BAN**

Section 4-1. Gift Ban. Except as permitted by this section, no officer or employee, and no spouse of or immediate family member living with any officer or employee (collectively referred to herein as "recipients"), shall intentionally solicit or accept any gift from any prohibited source, as defined herein, or which is otherwise prohibited by law or ordinance. No prohibited source shall intentionally offer or make a gift that violates this section.

#### **Section 4-2. Exceptions to the Gift Ban:**

- (a) Opportunities, benefits, and services that are available on the same conditions as for the general public.
- (b) Anything for which the officer or employee, or his or her spouse or immediate family member, pays the fair market value.
- (c) Any (i) contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a political organization or candidate.
- (d) Educational materials and missions.
- (e) Travel expenses for a meeting to discuss business.
- (f) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.
- (g) Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals; (ii) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iii) whether to the actual knowledge of the recipient the individual who gave the gift also at the same

time gave the same or similar gifts to other officers or employees, or their spouses or immediate family members.

(h) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.

(i) Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an officer or employee), if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee, and are customarily provided to others in similar circumstances.

(j) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intergovernmental gift" means any gift given to an officer or employee from another officer or employee, and "inter-governmental gift" means any gift given to an officer or employee by an officer or employee of another governmental entity.

(k) Bequests, inheritances, and other transfers at death.

(l) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the exceptions listed in this section are mutually exclusive and independent of every other.

Section 4-3. Disposition of Gifts. An officer or employee, his or her spouse or an immediate family member living with the officer or employee, does not violate this Policy if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c) (3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

## **Section 5: USE OF DISTRICT OWNED PROPERTY**

No employee or Board member shall engage in or permit the unauthorized use of District owned property.

## **Section 6: EMPLOYMENT OF RELATIVES**

(1) No employee or Board member shall employ or advocate for employment, in any department or any College or program of the District in which said employee or Board member serves or over which he exercises authority, supervision, or control, any person (i) who is a relative of said member or employee, or (ii) in exchange for or in consideration of the employment of any said employee or member's relatives by any other member or employee. Relatives shall not receive preferential treatment in the determination of salary, raise or promotion. This sub-section shall not apply to part-time summer employment of less than 4 months per year.

(2) Where a relative of any employee or Board member is employed by a nongovernmental person doing business with the District, the employee or Board member shall not have or exercise contract management authority.

(3) No employee or Board member shall use or permit the use of his position to assist any relative in securing employment or contracts with persons over whom the member or employee exercises contract management authority. The employment of or contracting with a relative of such a Board member or employee by such a person within six months prior to, during the term of, or six months subsequent to the period of a Board contract may be considered as evidence that said employment or contract was obtained in violation of this section.

#### **Section 7: PROHIBITED POLITICAL ACTIVITIES**

(1) No officer or employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No officer or employee shall intentionally use any property or resources of the District in connection with any prohibited political activity.

(2) At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity (i) as part of that officer or employee's duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).

(3) No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

(4) Nothing in this section prohibits activities that are permissible for an officer or employee to engage in as part of his or her official duties, or activities that are undertaken by an officer or employee on a voluntary basis which are not prohibited by this Policy.

(5) No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

#### **Section 8: CONFLICTS OF INTEREST**

(1) No employee or Board member shall make or participate in the making of any decision or take away any action with respect to any matter in which he has any special interest.

(2) It is a violation of this policy for any employee or faculty member, instructional assistant or other City Colleges' employee to participate in the instruction, evaluation, or supervision of a student with whom there is a romantic or familial relationship. Any employee or faculty member engaged in such relationships shall immediately disclose the romantic or familial relationship to the relevant college administrator, who shall promptly arrange for other oversight for the student.

(3) Any employee who has a special interest in any action or activity pending before

the Board or any other of the Colleges of the District shall disclose the nature of such interest to the head of the department or division to whom that employee reports, as applicable. In the case of any special interest of any Vice Chancellor or head of any department or division of a College, such disclosure shall be made to the Chancellor or to the president of the college, as applicable. The obligation to report under this sub-section arises as soon as the employee is aware of the activity. The obligation to report under this subsection does not apply to applications for health, disability or worker compensation benefits.

(4) Any Board member who has any special interest in any matter pending before the Board or any committee of the Board shall publicly disclose the nature and extent of such interest in the record of proceedings of the Board. Such Board member shall abstain from voting on the action or activity but shall be counted for purposes of a quorum. The obligation to report under this subsection arises as soon as the Board member is aware of such conflict.

(5) No employee or spouse of any employee, or entity in which an employee or his or her spouse has a financial interest, shall apply for, solicit, accept or receive a loan of any amount from any person who is either doing business or seeking to do business with the Board; provided, however, that nothing in this section prohibits application for, solicitation for, acceptance of or receipt of a loan from a financial lending institution, if the loan is negotiated at arm's length and is made at a market rate in the ordinary course of the lender's business.

#### **Section 9: INTEREST IN BOARD BUSINESS**

(1) Except as delineated in Sections 9(3) and (4) herein, no employee or Board member shall have a special interest in any contract, work or business of the Board or in the sale of any article, whether the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the Board. Compensation for property taken pursuant to eminent domain power shall not constitute a financial interest within the meaning of this section.

(2) Unless sold pursuant to a process of competitive bidding following public notice, no employee or Board member shall have a financial interest in the purchase of any property that belongs to the Board. Before participating in the competitive process, the employee or Board member shall disclose his financial interest.

(3) An employee may contract with the Board for the delivery of goods or services where there is full disclosure of the contractor's relationship to the Board and the Board gives its written consent.

(4) A Board member may contract with the Board for the delivery of goods or services where no comparable goods or services are available, there is full disclosure of the contractor's relationship to the Board, the Board gives its written consent, and the Board complies with all of the provisions of Section 805/3-48 of the Public Community College Act.

**Section 10:****REPRESENTATION OF OTHER PERSONS**

No employee or Board member may represent or have a special interest in the representation of any person, other than the Board, in (i) any formal or informal proceeding or transaction before or affecting the Board which is of a non-ministerial nature; or (ii) any judicial or quasi-judicial proceeding before any administrative agency or court in which the Board is a party.

**Section 11:****POST EMPLOYMENT RESTRICTIONS**

- (1) No former employee or Board member shall assist or represent any person, other than the Board, in any judicial or administrative proceeding involving the Board if the employee or Board member was counsel of record or participated personally and substantially in the proceeding during his employment or service on the Board.
- (2) No former employee or Board member shall, for a period of one year after the termination of his employment or service on the Board, assist or represent any person, other than the Board, in any business transaction involving the Board if the employee or Board member participated personally and substantially in the subject matter of the transaction during his term of employment or service on the Board.
- (3) Notwithstanding the above, a former employee or Board member may represent or be employed by the Board or another party so long as that representation or employment is not adverse to the Board and he or she first obtains the Board's written permission.

**Section 12:****CONFIDENTIAL INFORMATION**

No current or former employee or Board member shall use or disclose, other than in the performance of his official duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of his position or employment. No current or former employee or Board member shall utilize such information for his personal benefit or for the benefit of any individual or group. For the purposes of this section, "Confidential Information" means any information that may not be obtained pursuant to the Illinois Freedom of Information Act as may be amended from time to time.

**Section 13:****APPLICABILITY TO CONTRACTS**

(Attorneys, Lobbyists, Consultants and Vendors)

- (1) All contracts and leases shall be accompanied by a disclosure of the name and business address of each attorney, lobbyist, or consultant who was retained by the contractor with respect to that contract or lease and the name and business address of any other person who will be paid any fee for communicating with Board employees or officials when such communications are intended to influence the issuance of the contract or lease; provided, however, that this disclosure does not apply to employees of the contractor.
- (2) All bids, proposals or other solicitations for contracts or lease shall be accompanied

by a disclosure of the ownership interests of those persons seeking to do business with the Board. For purposes of this section, the ownership, through purchase or inheritance, of less than 1% of the shares of stock in a corporation, 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, as amended, shall not be considered an ownership interest.

(3) No person who has done business with the City Colleges of Chicago within the preceding four years or is seeking to do business with the City Colleges of Chicago shall make contributions in an aggregate amount exceeding \$1500.00: (i) to any candidate for city office during a single candidacy; or (ii) to an elected official of the government of the city during any reporting year of his term; or (iii) any official or employee of the City Colleges of Chicago who is seeking election to any other office.

(4) All Board contracts shall contain a provision requiring compliance with this Policy. Any contract negotiated or entered into in violation of this Policy shall be voidable at the option of the Board. Any contractor of the Board found to have violated any of the provisions of this Policy or who fails to provide documents or information requested by the Board or the Board's designee to investigate violations of this Policy shall be subject to cancellation of all existing contracts.

#### **Section 14: CONTRACT INDUCEMENTS**

No payment, gratuity, gift or offer of employment shall be made in connection with any Board contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. This prohibition shall be set forth in every Board contract and solicitation therefore.

#### **Section 15: DUTY TO ADVISE OR DISCLOSE; CONFIDENTIALITY OF DISCLOSURE; PROHIBITION AGAINST RETALIATORY ACTION**

(1) No information shall be withheld from, or false information supplied to, the Board, its members or employees, by any employee or Board member when so doing in any way interferes with, delays or impedes any Board action or the functioning of any Board activity or abets the carrying on or concealment of any violation of this Policy, or of any other rule, regulation or contract of the Board or of any law, statute or ordinance which affects the Board or its activities or property.

(2) Any information or document assembled as a result of this Policy shall be confidential except as required to implement this Policy. The requirement of confidentiality shall not prevent the Board or its employees from complying with applicable state or federal laws or regulations.

(3) The Board, to the full extent of its authority, will neither condone nor allow any retribution to be taken against any person for any action taken in furtherance or enforcement of this Policy or in furtherance or enforcement of any other Board action, activity, rule or regulation.

**Section 16:****ENFORCEMENT PROVISIONS**

(1) Allegations of violations of this Policy shall be reported to the Ethics Officer who shall have responsibility for investigating the allegations and making recommendations to the Board for such disciplinary or other action as may be appropriate to effectuate this Policy.

(2) Any employee or Board member found to have violated any of the provisions of this Policy or to have intentionally furnished false or misleading information or failed to cooperate in investigations concerning any matter covered by this Policy shall be subject to appropriate sanctions up to and including discharge from employment.

(3) Nothing in this Policy shall preclude the Board from maintaining an action for an accounting for any pecuniary benefit received by any person in violation of this Policy or other law, or to recover damages for violation of this Policy.

(4) The procedures and penalties provided in this Policy are supplemental and do not limit the power of the Board to otherwise discipline employees or take appropriate administrative action or to adopt more restrictive rules. Nothing in this Policy is intended to repeal or is to be construed as repealing in any way the provisions of any other applicable statute, ordinance, rule or regulation.

**Section 17:****ETHICS TRAINING**

All employees and Board members shall complete an annual Ethics Training program offered by the District. Employees or Board members who fail to complete the annual Ethics Training program shall be subject to penalties provided herein.

**Section 18:****ETHICS OFFICER**

(1) The Chancellor, with the advice and consent of the Board shall designate an Ethics Officer for the District. The duties of the Ethics Officer may be delegated to an officer or employee of the District unless the position has been created as an office by the District.

(2) The Ethics Officer shall provide guidance to the officers and employees of the District concerning the interpretation of and compliance with the provisions of this Policy. The Ethics Officer shall perform such other duties as may be delegated by the Board.

**Section 19:****PENALTIES**

1. Any City Colleges of Chicago employee who violates the City Colleges of Chicago Ethics Policy may be subject to discipline, including suspension or dismissal.
2. Any City Colleges of Chicago official who violates the City Colleges of Chicago Ethics Policy may be subject to disqualification from office.

3. Any contractor doing business with City Colleges of Chicago found to have violated the City Colleges of Chicago Ethics Policy may be barred from doing business with City Colleges, along with any other penalty provided for in this Policy.
4. If the Ethics Officer has a reasonable basis for concluding that an investigation has revealed criminal conduct, the Ethics Officer shall refer the matter to the appropriate law enforcement authority.

**Section 20: CERTIFICATION**

Every employee and Board member shall certify that he has reviewed and read the provisions of this policy.

31058

## Exhibit C

### Board of Education Ethics Policy

310581

# Chicago Public Schools Policy Manual

**Title:** CODE OF ETHICS

**Section:** 503.1

**Board Report:** 11-0525-PO2

**Date Adopted:** May 25, 2011

**Policy:**

## 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.

131058

**Amends/Rescinds:**

Rescinds 04-0623-PO4 and 10-0526-RS14

**Cross References:**

99-0728-PO1; 99-0421-PO2; 98-0923-PO4; 97-1119-PO1; 96-0327-PO7;  
95-0927-RU3 90-0117-RS2; 80-256-6A

**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).

May 25, 2016

**APPROVE RENEWAL OF INTERGOVERNMENTAL AGREEMENT WITH CITY COLLEGES  
FOR USE OF THE BUILDING LOCATED AT 3400 N AUSTIN AVE**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve renewal of the Intergovernmental Agreement ("IGA") with the Board of Trustees of Community College District No. 508 ("City Colleges") for use of the building and premises located at 3400 North Austin Avenue in Chicago. A written agreement extending and amending the IGA is currently being negotiated. The authority granted herein shall automatically rescind in the event that a written agreement is not executed within 120 days of the date of this Board Report.

**OWNER:** Board of Trustees of Community College District No. 508  
226 West Jackson Boulevard  
Chicago, Illinois 60606  
Contacts: Diane Minor, Vice Chancellor, (312) 553-2636, [dminor1@ccc.edu](mailto:dminor1@ccc.edu)  
and Dina Leiler, Director Auxiliary Services, (773) 481-8612, [dleiler@ccc.edu](mailto:dleiler@ccc.edu)

**PREMISES:** 3400 N Austin Ave, including the entire building, parking lots (2), and athletic field area.

**ORIGINAL TERM:** The original term commenced on July 1, 2011, and ends on June 30, 2016 (authorized by Board Report 11-0622-OP9).

**RENEWAL TERM:** The term of the renewal shall commence on July 1, 2016, and end on June 30, 2021.

**USE:** The Premises shall be used for educational programming by Chicago Academy Elementary and High Schools. A portion of the Premises may be shared with City Colleges for educational programming, provided that such use does not conflict with CPS' school hours or use.

**FEES:** The Board will pay \$718,750.00 for July 1, 2016 to June 30, 2017, payable in equal monthly installments of \$59,895.83. Commencing July 1, 2017, the fee will increase yearly by 3% on July 1<sup>st</sup>.

<b>Fiscal Year</b>	<b>Annual</b>	<b>Monthly</b>
2016-2017	\$718,750.00	\$59,895.83
2017-2018	\$740,312.50	\$61,692.70
2018-2019	\$762,521.87	\$63,543.48
2019-2020	\$785,397.53	\$65,449.94
2020-2021	\$808,959.45	\$67,413.28

**UTILITIES, MAINTENANCE AND REPAIRS:** CPS shall be responsible for its proportionate share of utilities associated with its use of the Premises. City Colleges shall pay its proportionate share of utilities for its use of the Premises. CPS shall also be responsible for regular maintenance and repairs to the Premises, including landscaping, garbage removal and custodial and engineer services. City Colleges shall be responsible for all major structural elements of the Premises, including but not limited to the roof, HVAC systems and plumbing.

**RIGHT OF FIRST REFUSAL:** City Colleges grants CPS the exclusive right of first refusal and first option to purchase the Premises. City Colleges must provide notice to CPS prior to offering or accepting an offer to sell Property to another party.

**REAL ESTATE TAXES:** The Property is currently exempt from real estate taxes. The General Counsel is hereby authorized to contest and appeal any action to tax the Property or the Board's use of the property. In the event the Property or the Board's use becomes taxable after all appeals have been taken and failed, the Board authorizes the payment of the real estate taxes in addition to the fees below.

**INSURANCE/DEMERNIFICATION:** Any and all insurance/indemnification language shall be negotiated by the General Counsel.

**OTHER TERMS AND CONDITIONS:** All other terms and conditions of the original IGA shall remain the same.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize either the Chief Operating Officer, Chief Facilities Officer, or Chief of Capital Improvement to execute any and all ancillary documents required to administer or effectuate the agreement.

**AFFIRMATIVE ACTION:** Exempt

**LSC REVIEW:** Not applicable

**FINANCIAL:** Total not-to-exceed amount to be paid by the Board for the 5-year term is \$3,815,941.35.

Charge to: Real Estate

<b>Fiscal Year</b>	<b>Annual</b>	<b>Budget Classification</b>
2016-2017	\$718,750.00	
2017-2018	\$740,312.50	
2018-2019	\$762,521.87	
2019-2020	\$785,397.53	
2020-2021	\$808,959.45	

Source of Funds: Rent, Contingency

**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).

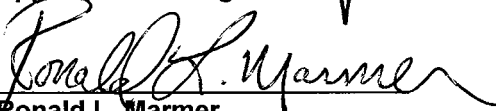
**Approved for Consideration:**

  
\_\_\_\_\_  
Mary DeRuntz  
Chief of Capital Improvement

**Approved:**

  
\_\_\_\_\_  
Forrest Claypool  
Chief Executive Officer

**Approved as to legal form**

  
\_\_\_\_\_  
Ronald L. Marmer  
General Counsel