

WHEREAS, pursuant to Section 34-43 of The Illinois School Code (the "Code"), the Board of Education of the City of Chicago (the "Board") is required to adopt an annual school budget for each fiscal

period of the Board's financial plan, beginning in Fiscal Year 2009, it is necessary that amounts be accumulated in the Educational Fund. To ensure uninterrupted services during Fiscal Year 2009 in the event of unfavorable budget variances, it is necessary to establish a reserve in the Educational Fund. The total amount of this accumulation and reserve is \$258,000,000 for Fiscal Year 2008. This total

Section 7. Settlement Agreements and Judgments. No expenditure may be made from any fund or

line item account herein for the purpose of executing settlement agreements, entering into consent orders or paying judgments except upon the approval of the Board; provided, however, that this section shall not apply to judgments, settlement agreements or consent orders involving an amount up to \$50,000 or to labor arbitrations. In those cases, the General Counsel is authorized to approve such documents and expend such funds without approval of the Board.

Section 8. Severability. To the extent that any prior resolution or policy of the Board (excluding Board Rules) is in conflict with the provisions of this Resolution, the provisions of this Resolution shall be controlling. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Resolution.

Section 9. Effectiveness. This Resolution is effective immediately upon its adoption.