

RESOLUTION AUTHORIZING PAYMENT OF MEABF AND LABORERS' PENSIONERS' MEDICAL INSURANCE PLAN PREMIUM DEFICIENCY AND REQUIRING CHANGES TO PREMIUMS TO MAKE MEDICAL INSURANCE PLAN FINANCIALLY SELF-SUPPORTING

WHEREAS, the Board of Education of the City of Chicago administers a medical insurance plan ("pension Funds' medical insurance plan") for pensioners participating in the Municipal Employees' Annuity and Benefit Fund of Chicago and the Laborers Retirement Board Employees and Annuity and Benefit Fund of Chicago ("the Funds") though it is under no legal obligation to do so; and

WHEREAS, on September 26, 2001, in Board Resolution 01-0926-RS6, the Chicago Board of Education approved payment of the past accumulated premiums for the pension Funds' medical insurance plan, though under no legal obligation to do so, and directed its Chief Financial Officer and General Counsel to assist the Funds in establishing premium rates and in developing a plan design that would have placed the pension Funds' medical insurance plan on a cost effective, financially sound basis for the future; and

WHEREAS, the Funds kept the pension Funds' medical insurance plan self-sustaining through Fiscal Year 2008 (ending June 30, 2008) but due to increasing medical costs the pension Funds' medical insurance plan is no longer self sustaining and will have a projected premium deficit of \$4.3 million by March 31, 2009; and

WHEREAS, back charging participating pensioners for the premium deficit would result in charges of almost \$2000 per participant; and

WHEREAS, the Board's Chief Financial Officer, and Executive Officer for Human Resources have received fully insured premium rate quotes predicted to keep the plan self-sustaining in 2009 after March 31, 2009 if the Board pays the accumulated premium deficit.

NOW THEREFORE:

1. The Board hereby authorizes the Chief Financial Officer and the Executive Officer for Human Resources to pay any premium deficit for the pension Funds' medical insurance plan accumulated through March 31, 2009 in an amount not to exceed \$4.5 million.
2. The Board hereby directs the Chief Financial Officer and the Executive Officer for Human Resources to establish fully insured retiree premiums for the pension Funds' medical insurance plan effective April 1, 2009.
3. The Chief Financial Officer and the Executive Officer for Human Resources shall promptly notify pensioners of any premium increases.
4. The Chief Financial Officer and General Counsel are authorized to execute any agreement necessary to effectuate the purpose of this resolution.
5. The resolution takes effect immediately upon adoption by the Board.

December 17, 2008

**APPROVE HEARING OFFICER'S FINDING THAT PUPIL IS A NON-RESIDENT
OF THE CITY OF CHICAGO NOT ENTITLED TO ATTEND THE
CHICAGO PUBLIC SCHOOLS ON A TUITION-FREE BASIS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Chicago Board of Education: adopt the November 3, 2008 findings of the Board-appointed Hearing Officer from a Pupil Residency Hearing held October 16, 2008, that: (i) the pupil (ID #44538415) has been and is a non-resident of the City of Chicago and are not entitled to attend the Chicago Public Schools on a tuition-free basis; and (ii) the pupil's parents, as the persons who enrolled the pupil, are indebted to the Board for non-resident tuition for the pupil's attendance in the Chicago Public Schools since September 2006 to June 2008 in the total amount of \$17,619.38 (for 2006-2007 to 2007-2008); reject any objections by the parents to the hearing officer's findings; and bar the pupil from continued attendance in the Chicago Public Schools unless and until all non-resident tuition owed is paid in full.

DESCRIPTION:

Sections 10-20.12a and 10-20.12b (105 ILCS 5/10-20.12a and 10-20.12b) of the Illinois School Code and Board Rule 5-17 authorize and empower the Board to charge tuition, not exceeding 110% of the per capita cost of maintaining its schools during the preceding school year, to pupils enrolled in the Chicago Public Schools determined to be non-residents of the City of Chicago. Further, section 10-20.12b provides that a hearing be held, when requested by the person who enrolled the pupil, to determine whether or not a pupil who is believed to be a non-resident resides within the City of Chicago. If, after notice of the initial determination of non-residency, the person who enrolled the pupil does not request a hearing or, if requested, the hearing results in a finding that the pupil does not reside in the district, the person who enrolled the pupil shall be charged tuition for the period of non-resident school attendance and the pupil shall be barred from attending school in the district unless the required tuition is paid for the pupil. However, pursuant to Board Rule 5-17, non-resident pupils may not attend the Chicago Public Schools' magnet program, regional gifted centers, community academies, specialty schools, international baccalaureate preparatory programs, international baccalaureate programs or selective enrollment high schools.

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

AFFIRMATIVE

ACTION REVIEW: Affirmative action review is not applicable to this report.

FINANCIAL: If the pupil is found to have been a non-resident during any time the pupil attended the Chicago Public Schools, the person(s) who enrolled the pupil shall be charged tuition for that time.

PERSONNEL

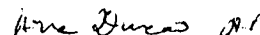
IMPLICATIONS: None.

Approved for Consideration:



BARBARA EASON-WATKINS
Chief Education Officer

Approved:



ARNE DUNCAN
Chief Executive Officer

Noted:


PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel