

APPROVE ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH ILLINOIS OFFICE OF THE COMPTROLLER RELATING TO THE LOCAL DEBT RECOVERY PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an Intergovernmental Agreement with the Illinois Office of the Comptroller to allow CPS to participate in the Local Debt Recovery Program. This program allows units of local government to submit their unpaid debts to the State Comptroller in order for the State to off-set or garnish any state payment to the debtor and turn the funds over to CPS in order to pay the debt. A written agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

AGENCY: Illinois Office of the Comptroller
201 Statehouse
Springfield, IL 62706-1001
Alissa Camp, General Counsel
(217) 782-6000

USER: Office of School Financial Services-Division of Revenue
125 South Clark, 14th Floor
William R. Lash
(773) 553-2744

LOCAL DEBT RECOVERY PROGRAM DESCRIPTION: The agreement will empower the Division of Revenue with a new, effective tool in collecting past due debts to CPS. Individual overdue debts will be summarized in an electronic file that can be periodically submitted to the State Comptroller. The State Comptroller will send notice to the debtor providing a sixty day window to request an opportunity to contest the debt through a hearing. If the debt is upheld, the State Comptroller will off-set any state payment (IDOR tax return, vendor payments or state salaries) and pay the funds on behalf of the debtor to CPS on a weekly basis. There is no cost to CPS. An additional fifteen dollar administrative fee will be collected by the State Comptroller from the debtor.

TERM: The agreement becomes effective upon execution and shall remain in effect until it is terminated by one of the parties. Either party may terminate this agreement by giving the other party written notice at least (30) thirty days prior to the effective date of the termination

RESPONSIBILITIES OF PARTIES: Before submitting a debt to IOC for State payment offset, CPS must comply with all of the drafted notification requirements of 74 Ill. Adm. 285.1140 (a) and (b). IOC will not process a claim under the Agreement until notification has been received from CPS that the debt has been established through notice and opportunity to be heard.

The offset of State payments shall be conducted pursuant to the authority granted in Section 10.05 and 10.05d of the Act [15 ILCS 405/10.05 and 10.05d] and in accordance with the provisions of Part 285 of Title 74 of the Illinois Administrative Code [74 Ill. Adm. 285] and the more detailed requirements set forth in the Agreement.

CONTRIBUTION: Except for the fees paid by the debtor in the program description above, each party shall be responsible for its own costs incurred in connection with the Agreement. Each party shall be responsible for resolving and reconciling its own errors, but shall not be liable to any other parties for damages of any kind as a result of errors. Each party shall be liable for the acts and omissions of its own employees and agents. The Agreement will not confer any rights or benefits on any third party.

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 the Chief Financial Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Not Applicable; There is no cost to CPS

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).

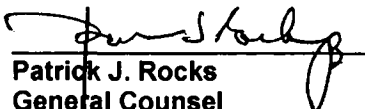
Approved for Consideration & Within Appropriation:

Approved:


David G. Watkins
Chief Financial Officer


Jean Claude-Brizard
Chief Executive Officer

Approved as to legal form:


Patrick J. Rocks
General Counsel

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