

Chicago Public Schools Policy Manual

Title: POLICY ON INDEBTEDNESS
Section: 404.2
Board Report: 96-0626-PO3 **Date Adopted:** June 26, 1996

Policy: **SECTION I – DEFINITIONS**

Whenever used in this policy, the following words and phrases shall have the following meanings:

1. Bid contracts" means all city contracts let by a competitive bidding process as set forth in Illinois Compiled Statutes, 105 ILCS 5/10-20.21.
2. Bidder" means any person who submits a bid for a bid contract.
3. Board" means Chicago School Reform Board of Trustees
4. Contract" means any agreement or transaction pursuant to which a contractor (i) receives Board funds in consideration for services, work or goods provided or rendered, or (ii) pays the Board money in consideration for a lease, or license allowing it to rent or otherwise use Board property.
5. Contractor" means the person to whom a contract is awarded.
6. Court-ordered child support arrearage" means that the Circuit Court of Cook County has issued an order declaring the respondent in arrearage on his or her child support obligations in a specific amount as of the date of that order.
7. "Debt" means a specified sum of money owed to the Board, the State of Illinois Student Assistance Commission, the City of Chicago or the County of Cook for which the period granted for payment has expired.
8. Outstanding Parking Violation Complaint" means a parking ticket, notice of parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified on the complaint.
9. Potential contractor" means any person who is seeking to enter into a contract other than a bid contract.
10. Substantial Owner" means any person who owns or holds a twenty-five percent (25%) or more percentage of interest in any bidder, potential contractor or contractor, as revealed by the disclosures required by the Chief Purchasing Officer, including those shareholders, partners, beneficiaries and principals more specifically described therein; except that where the bidder, potential contractor or contractor is an individual or sole proprietorship, substantial owner means that individual or sole proprietorship.

SECTION II - PROVISIONS PERTAINING TO EMPLOYMENT

A. Compliance with child support obligations

- 1) Every person who is given an offer of employment with the Board shall file an affidavit with the Chief Operating Officer disclosing any unpaid court-ordered child support obligations owed by the applicant.
- 2) Where an applicant's affidavit discloses, or the Chief Operating Officer otherwise determines, that an applicant owes any unpaid court-ordered child support, such applicant shall be not hired by the Board unless and until the applicant establishes:
 - a) The applicant has paid to the obligee all child support due under the court order, as evidenced by a certified court order or certified clerk's record that no support is due and owing; or
 - b) The applicant has entered into a court-approved agreement for the payment of all child support owed and is in compliance with that agreement; or
 - c) The applicant is not an obligor under a court-ordered child support obligation.
- 3) All Board employees must comply with all court-ordered child support obligations as a condition of employment. Noncompliance shall be grounds for discipline.
- 4) The Chief Operating Officer is hereby authorized to do the following
 - a) investigate the child support payment records of employees and applicants to determine compliance with court-ordered child support obligations;
 - b) provide information on employees and applicants to the appropriate Cook County and State of Illinois governmental entities, to the extent by law, to assist those offices in enforcement of child support obligations;
 - c) provide the names and business addresses of employees to persons seeking

to enforce court-ordered child support arrearages, on the condition that such information be used solely for the purpose of assisting in child support enforcement; and

- d) promulgate regulations relating to the operation of this section.

B. Compliance with Parking Violation Obligations

- 1) Every person who is given the offer of employment with the Board shall file an affidavit with the Chief Operating Officer disclosing any debt owed by the applicant and any outstanding Parking Violation Complaint issued to any vehicle owned by the applicant prior to his or her appointment.
- 2) No person who is given an offer of employment with the Board and has outstanding Parking Violation Complaints or debts shall be hired by the Board unless payment of the fines for the violations has been made or until an appearance is filed with the Circuit Court of Cook County to contest the parking violation or, in the case of debts, until payment is made in full.
- 3) Nothing herein shall prohibit the Board from hiring a person who owes a debt or outstanding Parking Violation Complaint if the Chief Purchasing Officer determines that such person:
 - a. Has entered into an agreement with the Board or any entity mentioned in Section I, for the payment of all debts owed and is in compliance with the agreement; or
 - b. Is contesting liability for or the amount of the debt in a pending administrative or judicial proceeding; or
 - c. Has filed a petition in bankruptcy and the debts owed are discharged in bankruptcy.

SECTION III - PROVISIONS PERTAINING TO BIDDERS AND CONTRACTORS

A. Compliance with Child Support Orders

- 1) Every bidder shall be required to submit an affidavit disclosing (1) any delinquencies by any of its substantial owners on a court-ordered child support arrearage and, (2) if any exist, whether the substantial owner has entered into a court-approved agreement for the payment of all child support owed and is in compliance with such agreement. In addition, every potential contractor shall submit such an affidavit prior to execution of any contract.
- 2) With respect to bid contracts, where the affidavit shows that a substantial owner of a bidder is delinquent under Section III (A) (1) and has not satisfied the obligation pursuant to the terms of that section, the Chief Purchasing Officer shall add eight percent to the bidder's bid price. This eight percent shall increase the bidder's bid price for the purpose of canvassing the bids in order to determine who is the lowest bidder. This eight percent penalty shall apply for purposes of comparing bid amounts and shall not affect the amount of any contract payment. The provisions of this subsection shall only apply where not otherwise prohibited by federal, state or local law.
- 3) In addition, where the Chief Purchasing Officer otherwise determines that a bidder, or a substantial owner thereof, is delinquent on a court-ordered child support arrearage, the foregoing eight percent penalty shall be applied; provided that such penalty shall not be applied if, where practicable, the purchasing agent notifies the bidder of such determination and, prior to the Chief Purchasing Officer's awarding of the contract, the bidder promptly provides the Chief Purchasing Officer with sufficient evidence of the following:
 - a) As of the date the bid was submitted, the substantial owner had paid all child support then due under the court order, as evidenced by a certified court order or certified clerk's record that no support was due and owing on that date; or

