

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Actuarial Services
Goldstein & Associates

Impact Analysis of Membership in the College Insurance Program (CIP)

THE CHANCELLOR

REPORTS

that the State of Illinois provides insurance benefits for annuitants receiving a monthly benefit or annuity from the State University Retirement System (SURS) who prior to retiring, were employees of an Illinois community college through the College Insurance Program (CIP) created by P. A 90-0497; and that all of the Illinois community colleges are covered by CIP for which the state contribution amounts to approximately \$4 million annually, but the City Colleges of Chicago (CCC) had previously opted out of CIP and instead has been receiving from the state an annual grant of about \$626,000 for retiree insurance benefits; and

that CCC pays approximately 90 % of the insurance premiums or about \$6.5 million for most retirees and spouses who are qualified under the SURS and that retirees pay the full cost of the premiums after the CCC contribution period (ten years after retirement date) expires; and

that based on the current funding status of CIP, there is a further need to evaluate: 1) the option of joining the CIP offered by the state and to analyze the impact of CCC's membership in the current state insurance program and 2) other alternatives that may be feasible for CCC; and

that the staff recommends the utilization of an actuarial firm to provide an impact analysis that will be necessary to evaluate the District's participation in CIP; and

that the staff further recommends the retention of Goldstein & Associates, an actuarial expert, who provided the initial actuarial study in FY 2007 and who currently provides the actuarial services for CCC's annual audit requirements, in an annual amount not to exceed \$25,000.00 to perform an evaluation of : 1) the option of joining the CIP offered by the state and to analyze the impact of CCC's membership in the current state insurance program and 2) other alternatives that may be feasible for CCC; and

that the procurement of professional services requiring a high degree of professional skill are exempt from the District competitive bidding requirements; and

that the Office of M/WBE Contract Compliance has reviewed the above agreement and, based on the confidential nature of the services required there would be no opportunity to subcontract for direct participation from an M/WBE vendor, is recommending a waiver of compliance with the Board Approved Participation plan .

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorizes the Chairman to enter into an agreement with Goldstein & Associates to provide actuarial services to perform an evaluation of : 1) the option of joining the CIP offered by the state and to analyze the impact of CCC's membership in the current state insurance program and 2) other alternatives that may be feasible for CCC in an amount not to exceed \$25,000.00, beginning October 15, 2009 to June 30, 2010.

FINANCIAL \$25,000.00 FY10 Educational Fund-00003-0010002-00084-00000-00000000-539100

Respectfully submitted,

**Deidra J. Lewis
Interim Chancellor**

October 5, 2009 -Office of Human Resources and Office of Finance