



The Civic Federation

115 Years of Research, Information, and Action The Civic Federation's Accomplishments

In the 115 years since its founding, the Civic Federation has been credited with an array of significant accomplishments in improving government efficiency, effectiveness, and transparency.

The work of the Federation the 21st century has evolved from its work in the 20th century as a leading advocate for governmental fiscal responsibility and as an effective champion of rational tax policy. The Civic Federation now also places a greater emphasis on working with government officials to improve the efficiency, effectiveness and accountability of Chicago-area governments.

The following is a short round up of the Civic Federation's greatest achievements, collected as a service to our Board of Directors and as part of the Federation's celebration of its 115th Anniversary.

1. **A tax increment financing (TIF) transparency bill (Public Act 096-1358) passed by the Illinois legislature and signed into law by Governor Quinn in July 2010 includes a number of long-standing Civic Federation recommendations** detailed in the Federation's 2007 TIF report. The new law requires counties and municipalities to generate 10-year status reports, include TIF revenues and expenditures in their annual budgets, and requires municipalities to submit TIF reports in electronic format to the State Comptroller.
2. **In June 2010 the Cook County Board of Commissioners voted 13-3 to make the Cook County Health and Hospitals System (CCHHS) independent board permanent, a move the Civic Federation has long championed.** The Federation first recommended the creation of an independent Board to oversee the Cook County health system in a 2001 research report. Since its founding in 2008, the independent CCHHS board has installed new management across the executive ranks of the System, implemented a strategic planning process, and introduced operational efficiencies. The Civic Federation believes more work remains to be done to introduce more efficiencies to the CCHHS that cannot be accomplished without the supervision provided by an independent Board.

3. **In December 2009 the Cook County Board of Commissioners voted to roll back a one percentage point County sales tax increase by half.** The Civic Federation opposed the 2008 sales tax hike as unnecessary and repeatedly called for its repeal, most recently in its analysis of the FY2010 Cook County budget. The Federation noted that the County should not have increased the tax burden on consumers without first making a serious attempt to rein in spending and improve efficiency.
2. **In November 2009 Governor Quinn signed into law a measure that made it easier for Cook County commissioners to override the veto power of the Cook County Board President,** an action that the Civic Federation had supported since 2001. The measure, which became effective immediately, reduces the margin required to override a veto by the Board President from four-fifths majority to three-fifths and should help the County government become more responsive to voters.
3. **In 2009 DuPage County implemented recommendations by the Civic Federation that will improve the transparency of its operations.** Concerned by DuPage County's inadequately transparent budget and lack of a formal long-term financial plan and capital improvement plan, the Civic Federation had suggested a number of steps the County could take to improve the disclosure and accounting of expenditures. In response, the County held budget hearings and posted budget materials and a budget calendar online.
4. Heeding the Civic Federation's warnings about the dangers of borrowing hundreds of millions of dollars to pay for operating expenses, in 2009 **the Cook County Board of Commissioners followed Federation recommendations and cut expenses to balance its FY2009 budget.** The Federation's analysis of the budget cautioned that the board's plan to borrow money to make up a budgetary shortfall in lieu of reducing operating expenses was irresponsible and a bad deal for taxpayers. Through testimony and letters to the editor, the Civic Federation emphasized the importance of avoiding unnecessary borrowing, especially less than one year after the County enacted a one percentage point sales tax increase.
5. Based upon recommendations made by the Civic Federation in its analysis of the Chicago 2016 Olympic Bid, **the Chicago City Council in September 2009 passed an ordinance that authorized Council oversight over Olympics operations and spending if Chicago was awarded the Olympics.** The measure decreed that the City Council would receive quarterly status reports on the complete Olympics project, including details of spending and expenses, revenue forecasts, and insurance.
6. **The State of Illinois in 2009 increased the limit on the number of charter schools permitted within the State, a move long advocated by the Civic Federation.** The City of Chicago will now be permitted to develop 40 new charter schools, in addition to 15 schools downstate and five schools for dropout recovery. Responsibly-run charter schools bring high quality learning options to underserved communities in a cost-effective manner.

7. **The Illinois General Assembly heard the Civic Federation's call for a State of Illinois accountability and performance reporting system.** Senator Dan Kotowski inserted a measure into the FY2010 budget implementation bill that will create a system by which State agencies must continuously improve accountability and reporting to provide citizens with the most effective and efficient programs.
8. **Per Civic Federation recommendations, the City of Chicago approved a tax increment financing transparency ordinance in April 2009.** The ordinance, introduced by Aldermen Manny Flores and Scott Waguespack, would require all TIF redevelopment agreements and exhibits to be accessible to the public online by the end of 2009. Additionally, all proposed redevelopment agreements would be made accessible to the public ahead of Chicago City Council consideration. The ordinance requires the City to post online data about geographical boundaries, income, budget, and expenditures for the City's 100 plus TIF districts annually. These reforms are in keeping with recommendations made in a Civic Federation TIF issue brief released in 2007 that urged the publication of TIF information and projects online.
9. **The Chicago Park District's adoption in January 2009 of a formal reserve fund policy** came on the heels of recommendations made by the Civic Federation in its analysis of the FY2009 District budget. By implementing a formal policy that would require a certain percentage of expenditures or revenues to be set aside for contingencies and emergencies, the District could avoid issuing Tax Anticipation Notes and prevent future negative fund balances like those experienced in FY2002 and FY2003.
10. The Civic Federation supported legislation that **allowed the Metropolitan Water Reclamation District to create an Other Post Employment Benefits trust fund** that will provide irrevocable funding for retiree health, dental and life insurance and long-term care coverage. In keeping with the Civic Federation's recommendations, in FY2009 the MWRD also pursued and received legislative approval for increased employer contributions to its pension funds. These are steps in the right direction that will help put the MWRD on stronger financial footing.
11. The Civic Federation's advocacy was key to the **adoption of a comprehensive solution to the Chicago Transit Authority fiscal crisis in 2008.** Through testimony before the House Mass Transit Committee, letters to the editors of Chicago area newspapers, and meetings with legislative leaders, the Civic Federation supported Illinois State Representative Julie Hamos' all-inclusive mass transit legislation (P.A. 95-0708) that not only increased funding to the CTA, but also included pension and retiree health care reforms and increased Regional Transit Authority oversight. The groundbreaking pension reforms the CTA negotiated with its unions included many long-time Civic Federation recommendations.
12. The Civic Federation spurred the **Forest Preserve District of Cook County to establish a capital improvement plan.** The Civic Federation had opposed the District's issuance of \$100 million in general obligation bonds without a capital improvement plan as to how it would spend the money. A capital improvement plan, which helps inform taxpayers how government spends tax dollars, should be in place before capital funding is released.

Many of the Federation's recommendations to improve the capital plan were implemented in the District's FY2008 budget.

13. The Federation spearheaded an effective campaign in 2007 and early 2008 to **establish an independent governing board for the Cook County Bureau of Health Services** in coalition with other civic groups and business and government leaders. Through testimony before the County Board and a public education campaign that included letters to the editor published in major Chicago newspapers, the Civic Federation continued previous efforts to improve the efficiency of the bureau, which has long been plagued by financial and managerial inefficiencies.
14. The Civic Federation led a three-year campaign to abolish **the Cook County Suburban Tuberculosis Sanitarium District**, a historically inefficient government with questionable financial management. The effort included publication of a research report in 2003, a public education campaign, and the 2006 passage of legislation sponsored by State Senator Don Harmon and State Representative Elaine Nekritz. The effort was recognized with the Governmental Research Association's 2007 Award for Outstanding Policy Achievement.
15. **In 2006 the Civic Federation helped raise awareness of the serious funding issues confronting the Chicago region's major cultural institutions and proposed a new system for their public funding.** The effort included convening a steering committee and task force which included representatives from Museums in the Park, the Chicago Park District, and the Cook County Board of Commissioners; commissioning a major statistical study of the economic impact of cultural institutions on the region's economy; and the publication of a research report.
16. **The Civic Federation successfully advocated privatizing the Forest Preserve District of Cook County's golf courses.** The Federation had long pushed for the privatization of the District's money-losing golf operations, along with an increase in user fees that could allow the District to boost its revenue stream and enhance the overall efficiency of its operations. In July 2002, the courses were privatized by President John Stroger and the Cook County Board of Commissioners per the Civic Federation's recommendations.
17. **The Federation helped overhaul Illinois' convoluted telecommunications tax structure** with original research that led directly to the January 2002 enactment of the Telecommunications Simplification Act. This act streamlined the collection of telecommunications taxes in Illinois for businesses and local municipalities. Additionally, the Illinois Department of Revenue used Federation research to assist in the implementation of the law.
18. In 2001 the Federation coordinated a successful initiative to **bring together seven major Chicago area governments in an agreement to jointly purchase prescription drugs** for their employees. (The City of Chicago, Cook County, Chicago Public Schools, Chicago Transit Authority, Chicago Park District, City Colleges of Chicago, and Chicago Housing Authority.) This effort included publication of a research report, organization of the local governments' Chief Financial Officer Roundtable group, and ongoing

recommendations to explore other joint purchasing opportunities. The original intergovernmental agreement to jointly purchase prescription drugs has yielded millions of dollars in savings for the affected governments. They subsequently released joint requests for proposals for employee HMO and PPO healthcare services.

19. **The Civic Federation took a leadership role in promoting transparency in Tax Increment Finance (TIF) reporting** during the 1999 TIF reform legislative process. The Civic Federation worked with legislative leaders and interest groups to draft and win approval for legislation establishing stricter reporting requirements for tax increment financing districts. The Federation also worked with the City of Chicago to improve their TIF disclosure process.
20. **The Civic Federation assisted downtown Chicago taxpayers** in 1997 in the return of \$49 million in property taxes paid into the Central Area Circulator Project fund. The Civic Federation worked closely with the City of Chicago and the Building Owners and Managers Association to help the City return the funds after the cancellation of the downtown mass transit project.
21. **The Civic Federation drafted and successfully advocated for historic reforms in the Cook County property assessment appeals process.** From 1994 to 1998, the Civic Federation intensively engaged with State legislators and Cook County officials to fundamentally reform the assessment appeals process and remove impediments to taxpayers' efforts to file and win appeals of their property tax assessments. This effort involved the creation of a task force and publication of a report that was read *in toto* into House Bill 1465 in the spring of 1995 and became Public Act 89-126 later that year.

In its first hundred years of existence from 1894 to 1994, the Civic Federation had a direct hand in reforming governments across Illinois. The following is a selection of some of these reforms.

- The Civic Federation proposed structural reforms of the Chicago Park District to increase efficiency of its operations in a 1993 comprehensive analysis of the District's form and function. Many of these recommendations were adopted by the Park District in a major mid-1990s reorganization effort.
- In 1979 the Federation proposed creation of the School Finance Authority to help the Chicago Public Schools resolve a fiscal crisis that left the system in need of a financial bailout and unable to pay its employees. Created by the Illinois General Assembly in 1980, the School Finance Authority oversaw the CPS' finances and approved its budgets, made labor contract recommendations, and worked with the CPS Board to secure funding.
- In 1958 following the Civic Federation's recommendation, Cook County implemented a property parcel numbering system, which helped determine the tax status of a parcel and

facilitated the collection of property taxes. This new system supplanted the older method of organizing the million-plus properties in the County according to townships and subdivisions.

- In 1934 the Civic Federation realized one of the goals from its charter plan: to unite and consolidate the individual Chicago park districts. Up to this time, Chicago parks were governed by 22 districts, each with its own board of commissioners. While a measure to unite the parks failed in 1916, a later effort assisted by then-governor Henry Horner was put to vote in the April 1934 primary election where it found overwhelming support from the public.
- As far back as 1915, the Civic Federation worked to reform public employee pension funds. The Federation supported the creation of the Illinois Pension Laws Commission and encouraged public employees across the State to follow the recommendations of the commission. After the collapse of the Chicago firefighter pension in 1929, the fire union pursued two different unsound pension schemes that the Federation actively fought through a public relations campaign. Additionally, when the retired Chicago policemen's union pushed to increase funding of its pension above that ordered by law, the Civic Federation took the union to the Illinois Supreme Court, where the court found that such increases jeopardized the interests of active employees, were contrary to public policy, and contravened constitutional provisions.
- Working with other city agencies, the Civic Federation in 1913 and 1915 sponsored legislation to create an adult probation program that would give some adult first offenders the opportunity to avoid incarceration with prisoners with lengthier records. The Federation at this time also persuaded the Illinois General Assembly to strengthen parole laws and provide stricter supervision of parolees.
- In 1909 the Civic Federation persuaded the Illinois state legislature to pass a law authorizing the governor to appoint an Illinois Special Tax Commission that would make recommendations and suggest changes to the Illinois revenue system. This initiative grew out of a need to reform a convoluted tax assessment system that was unable to cope with the taxation demands of rapidly-growing Chicago.
- In 1903, three years before Upton Sinclair's *The Jungle* was published, the Civic Federation organized an investigation of meat and milk inspection within the city limits, finding great laxity among inspectors. This effort expanded with the creation of a health and sanitation committee that published bacterial analyses of hundreds of samples of market milk from twenty-three of Chicago's poorest wards.