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The Civic Federation

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CIVIC FEDERATION SUPPORTS CITY COLLEGES FY2012 BUDGET, MULTI-YEAR REORGANIZATION EFFORT

The Civic Federation announced today its **support** for the City Colleges of Chicago proposed FY2012 operating budget of \$651.5 million. The Federation supports the budget because it exercises fiscal restraint and follows many of the Federation's previous recommendations. Visit civicfed.org to read the full report.

“The Civic Federation applauds City Colleges and Chancellor Hyman’s commitment to improving student outcomes while minimizing the District’s impact on overburdened taxpayers in Chicago,” said Laurence Msall, president of the Civic Federation. The FY2012 proposed unrestricted operating budget, over which City Colleges has the most discretion and control, will increase by only 1.7% from the \$312.9 million budgeted in FY2011 to \$318.2 million. Another positive development is City Colleges’ proposal to hold the line on its property tax levy, maintaining it at \$123.3 million.

The Civic Federation also supports City Colleges’ continued discipline in building and maintaining a strong unreserved fund balance of roughly 20% of operating expenses, higher than the minimum level recommended by the Government Finance Officers Association. A strong fund balance for contingencies is especially important at a time when the State of Illinois’ payments to the District are often delayed.

The Federation finds the progress City Colleges has made in its multi-year reorganization effort to be especially praiseworthy. The *Reinvention* program includes plans to improve student outcomes as well as the financial and operational health of the colleges system. Crucially, the initiative also plans to measure progress on *Reinvention* outcomes and uses zero-based budgeting to better align resources with goals. For the first time, budgeted dollars are allocated not just to each college and office, but specifically to each of the District’s eleven articulated goals. “The Civic Federation strongly supports City Colleges’ reorganization and sees the *Reinvention* program as a model that other governments can and should emulate,” said Msall.

The full budget analysis offers recommendations to further improve the health and stability of the District’s finances. City Colleges should adopt a formal fund balance policy and integrate that policy in its budget document. The Civic Federation also urges the District to complete work on a formal long-term financial plan in the FY2012 fiscal year and to publish it prior to release of the FY2013 budget. “It is with great appreciation that the Civic Federation acknowledges City Colleges’ implementation of so many of our recommendations to improve their budget process,” continued Msall. “We hope these additional reforms will assist the District in achieving their goals.”

The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions. For more information, please visit the Federation's website at www.civicfed.org.

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